United Nations E/2013/55

Economic and Social Council

Distr.: General
23 April 2013

Original: English

Substantive session of 2013
Geneva, 1-26 July 2013
Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples by the specialized agencies and the international institutions associated with the United Nations

Report of the President of the Council on consultations with the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples

Information submitted by the specialized agencies and other organizations of the United Nations system on their activities with regard to the implementation of the Declaration

Contents

		Page
I.	Introduction	2
II.	Support to Non-Self-Governing Territories by the specialized agencies and international organizations associated with the United Nations	2
	A. Economic Commission for Latin America and the Caribbean	2
	B. Food and Agriculture Organization of the United Nations	3
	C. United Nations Environment Programme	4
	D. United Nations Educational, Scientific and Cultural Organization	4
	E. World Food Programme	7
Annex		9

13-30611 (E) 280513

Please recycle

I. Introduction

1. In its resolution 2012/22, the Economic and Social Council requested the President of the Council to continue to maintain close contact with the Chair of the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples on the matters considered in that resolution and to report thereon to the Council.

2. In paragraph 7 of its resolution 67/127, the General Assembly requested that the specialized agencies and other organizations of the United Nations system and international and regional organizations examine and review conditions in each Non-Self-Governing Territory so as to take appropriate measures to accelerate progress in the economic and social sectors of the Territories. In the same resolution, the Assembly commended the Council for its debate and resolution on the question and requested that the Council continue to consider, in consultation with the Special Committee, appropriate measures for the coordination of the policies and activities of the specialized agencies and other organizations of the United Nations system in implementing the relevant resolutions of the Assembly.

3. The following 16 Territories are under the purview of the Special Committee: American Samoa, Anguilla, Bermuda, British Virgin Islands, Cayman Islands, Falkland Islands (Malvinas),[1] Gibraltar, Guam, Montserrat, New Caledonia, Pitcairn, Saint Helena, Tokelau, Turks and Caicos Islands, United States Virgin Islands and Western Sahara. Information submitted in response to a request to the specialized agencies and the international organizations associated with the United Nations to provide an account of their activities in relation to Non-Self-Governing Territories is set out below.

II. Support to Non-Self-Governing Territories by the specialized agencies and international organizations associated with the United Nations

4. According to the information received, during the period under review, several specialized agencies and other organizations of the United Nations system continued to provide support to the peoples of Non-Self-Governing Territories pursuant to the relevant resolutions and decisions of the General Assembly, the Economic and Social Council and the Special Committee.

A. Economic Commission for Latin America and the Caribbean

5. In August 2012, pursuant to resolution 662(XXXIV), adopted by the Economic Commission for Latin America and the Caribbean (ECLAC) at its thirty-fourth session, Bermuda was admitted as an associate member of ECLAC. Consequently, as of February 2013, 7 of the 16 Non-Self-Governing Territories were associate members of ECLAC: Anguilla, Bermuda, British Virgin Islands, Cayman Islands, Montserrat, Turks and Caicos Islands and United States Virgin Islands.

[1] A dispute exists between the Governments of Argentina and the United Kingdom of Great Britain and Northern Ireland concerning sovereignty over the Falkland Islands (Malvinas) (see ST/CS/SER.A/42).

6. The Commission continued to provide advisory services to the Government of Montserrat with the preparatory work for geothermal energy exploration.

7. In November 2011, at the request of the Government of the Turks and Caicos Islands, ECLAC conducted a national training workshop on capacity-building for the collection of data. The workshop targeted Government officials and other relevant stakeholders and sought to improve capacity at the national level to develop social policies, in particular a national policy on gender to promote gender equality through the collection of relevant data. ECLAC has also provided advisory services on an ongoing basis to the Government of the Turks and Caicos Islands regarding institutional strengthening of its Gender Affairs Department.

8. Non-Self-Governing Territories regularly participated in the technical meetings and regional activities related to the 2011 round of the International Comparison Programme. Representatives of Anguilla, Bermuda, the British Virgin Islands, the Cayman Islands, Montserrat and the Turks and Caicos Islands attended six meetings that focused on the core aspects of the Programme, namely, national accounts and consumer prices (see annex). As part of the global process of the Programme, ECLAC also provided technical support to Anguilla and Montserrat with the completion of their respective national obligations related to price statistics and national accounts components.

9. During 2011 ECLAC supported the participation of the British Virgin Islands and the Turks and Caicos Islands in regional workshops that helped to build capacity in respect of data dissemination and the Millennium Development Goals.

10. The ECLAC subregional headquarters for the Caribbean provides, when available, information on these Territories in both ad hoc and recurrent studies, and in publications such as the *Economic Survey of Latin America and the Caribbean* and the *Preliminary Overview of the Economies of Latin America and the Caribbean*.

B. Food and Agriculture Organization of the United Nations

11. In the Pacific region, representatives of the Non-Self-Governing Territories (American Samoa and New Caledonia) participated in a regional workshop on the theme "Priority adaptations to climate change for Pacific fisheries and aquaculture: reducing risks and capitalizing on opportunities", organized by the Food and Agriculture Organization of the United Nations (FAO) and the Secretariat of the Pacific Community in Noumea from 5 to 8 June 2012; and in a Pacific islands regional consultation organized by FAO and the Secretariat of the Pacific Community on the development of guidelines for securing sustainable small-scale fisheries, held in Noumea from 12 to 14 June 2012. Representatives of the Non-Self-Governing Territories (American Samoa, Guam, New Caledonia and Tokelau) also participated in a regional workshop organized by FAO and the Secretariat of the Pacific Community on aquatic biosecurity, and aquaculture data and statistics held in Nadi, Fiji, from 1 to 6 October 2012.

12. A number of consultations between FAO (through its Subregional Office for the Pacific Islands, based in Samoa) and officials of the Tokelau Government were conducted in 2012 in preparation for the FAO country programming framework for 2013-2017. FAO supported the participation of Tokelau in the United Nations

Conference on Sustainable Development held in Rio de Janeiro, Brazil, from 20 to 22 June 2012. Tokelau participated in the following regional workshops: the 15th annual FAO round-table meeting on agriculture trade and sustainable development, held in Wellington from 3 to 7 September 2012; a regional validation workshop for the Pacific multi-country country programming framework 2013-2017, held in Nadi on 4 and 5 December 2012; and a regional consultation on increasing local food production in response to high food prices, held in Nadi on 6 December 2012.

C. United Nations Environment Programme

13. While the United Nations Environment Programme (UNEP) does not specifically provide assistance to any of the Non-Self-Governing Territories, its programmes focus on overall capacity-building and technological support for economies in transition. It has also focused its work on six cross-cutting thematic priorities, namely: climate change; disasters and conflicts; ecosystems management; environmental governance; harmful substances and hazardous waste; and resource efficiency and sustainable consumption and production.

14. Following the United Nations Conference on Sustainable Development held in Brazil in 2012, UNEP was equipped with a stronger mandate for providing capacity-building and strengthening its regional presence, in order to assist countries, upon request, in the implementation of their national environmental policies. UNEP is strengthening the implementation of its distinctive role in environmental leadership by catalysing and promoting international cooperation and action; providing early warning and policy advice based on sound science; working with the secretariats of the multilateral environmental agreements to help implement related objectives and commitments; and delivering technological support and capacity-building services in line with country priorities as well as those of the 16 Non-Self-Governing Territories, as relevant.

D. United Nations Educational, Scientific and Cultural Organization

15. Three Non-Self-Governing Territories are associate members of the United Nations Educational, Scientific and Cultural Organization (UNESCO), namely, the British Virgin Islands (1983), the Cayman Islands (1999) and Tokelau (2001).

16. Tokelau is one of the 14 Pacific island countries and territories that have participated in the Pacific Islands Literacy and Numeracy Assessment. The Assessment is a collaborative work by UNESCO and the Secretariat of the Pacific Board for Educational Assessment with financial support from the Australian Agency for International Development. The Assessment was conducted in Tokelau in late 2012.

17. As part of its Pacific regional programmes, UNESCO supported Tokelau's participation in the 19th consultation meeting of the Pacific Heads of Education Systems held in Nadi on 16 March 2012, in cooperation with the Pacific Islands Forum Secretariat, to discuss key regional education sector issues and challenges and to prepare for the Pacific Island Forum Education Ministers' Meeting (May 2012, Port Vila).

18. A capacity-building workshop on education planning for the Caribbean was held in Trinidad and Tobago, from 15 to 18 January 2013. The main purpose of the workshop was to strengthen institutional capacity in strategic education planning, and representatives of Anguilla, Montserrat, the British Virgin Islands, the Cayman Islands and the Turks and Caicos Islands, among others, attended.

19. The Caribbean Conference on Technical and Vocational Education and Training, held in Montego Bay, Jamaica, from 7 to 9 March 2012 was attended by participants from the following Non-Self-Governing Territories: Anguilla, the British Virgin Islands, the Cayman Islands and Montserrat. The Montego Bay Declaration on Technical and Vocational Education and Training in the Caribbean was addressed at the Third International Congress on Technical and Vocational Education and Training held in Shanghai, China, in May 2012. The Latin America and the Caribbean regional conference on advancing the teaching profession, held in Jamaica in November 2012, was attended by participants representing Anguilla, the British Virgin Islands, the Cayman Islands and Montserrat.

20. In Tokelau, the Local and Indigenous Knowledge Systems programme of UNESCO published a book entitled *Echoes at Fishermen's Rock: Traditional Tokelau Fishing* in December 2012. The book is a translation of the Tokelauan *Hikuleo i te Papa o Tautai*, written exclusively in Tokelauan by Atafu elders and dedicated to succeeding generations of Tokelauans. The book is a hands-on manual about traditional Tokelauan techniques for capturing crabs, birds and, more importantly, fish of both the lagoon and the open ocean. It pays particular attention to traditional protocols, fish behaviour, and the winds, currents, lunar cycles and seasonal variations indicated by the annual rising of named stars and constellations.

21. In addition, Anguilla, the British Virgin Islands, the Cayman Islands, Montserrat, the Turks and Caicos Islands and the United States Virgin Islands continue to be active participants in the "Sandwatch" project of UNESCO, through which school students, teachers and local communities work together in the field to monitor their beach environments, identify and evaluate the threats, problems and conflicts facing them, and develop appropriate sustainable approaches to address these issues.

22. UNESCO has been working with Tokelau for approximately three years on the national women's policy and national youth policy. The national women's policy and accompanying national action plan was completed and endorsed in 2011 and is now under implementation. Final consultations on the national youth policy are ongoing, and the policy is expected to be presented to the General Fono for endorsement in May 2013. UNESCO is assisting Tokelau in joining the Pacific Youth Council as an interim member until such time that Tokelau's national youth policy and national youth council have been formally established. This support will assist Tokelau's participation in the Pacific Development Framework and in regional meetings.

23. UNESCO has been working for the past three years on the development of a cultural policy for Tokelau. Progress in this regard has been very slow. To date, a scoping paper on how the policy could be developed has been prepared and an in-country consultation has been held. More recently, UNESCO has been involved in supporting a report on intangible cultural heritage safeguarding in Tokelau. The project will contribute further to development of the national policy as well as assist in the identification of intangible cultural heritage that is at risk of being lost.

24. An expert from the New Caledonia Direction de la culture, de la condition féminine et de la citoyenneté participated in a workshop on the implementation of the Convention for the Safeguarding of Intangible Cultural Heritage, which was held in Beijing in December 2012 and was organized by the International Training Center for the Intangible Cultural Heritage in the Asia-Pacific Region under the auspices of UNESCO.

25. Representatives from the Cayman Islands and the British Virgin Islands participated in a regional capacity-building programme on the theme "Safeguarding the underwater cultural heritage of the Caribbean", held in Port Royal, Jamaica, from 5 to 30 November 2012.

26. World Heritage properties are located in the following Non-Self-Governing Territories: Bermuda (Historic Town of Saint George and Related Fortifications, cultural property inscribed in 2000); New Caledonia (Lagoons of New Caledonia: Reef Diversity and Associated Ecosystems, natural property inscribed in 2008); and Pitcairn (Henderson Island, natural property inscribed in 1988).

27. Whereas nomination files have to be submitted by States parties that have ratified the 1972 Convention concerning the Protection of the World Cultural and Natural Heritage, the local authorities of those territories are usually involved in preparing the files and the day-to-day management of the properties. Non-Self-Governing Territories also participate in World Heritage Committee sessions and may make statements as part of the State party delegation, such as participants from New Caledonia at the thirty-second session of the World Heritage Committee, held in Quebec City, Canada, in 2008. All the island territories of the Caribbean were invited to attend international and periodic reporting meetings organized with UNESCO, regardless of their status.

28. There are also a number of Non-Self-Governing Territories inscribed on the Tentative Lists of the States parties: Gibraltar (Gorham's Cave Complex, cultural property added in 2012); Saint Helena (Island of Saint Helena, natural property added in 2012); Turks and Caicos Islands (Turks and Caicos Islands, natural property added in 2012); and American Samoa (Fagatele Bay National Marine Sanctuary, natural property added in 2008).

29. Several Non-Self-Governing Territories hold important underwater cultural heritage and/or are profiting from its valorization. Bermuda plans to establish an international shipwreck exploration industry to generate revenues. The Cayman Islands are working towards the research and protection of submerged sites as well as their touristic valorization. Submerged cultural heritage from every period of colonial occupation is known to be present in the waters of Guam, including shipwrecks from the Spanish colonial period, some of which have recently been commercially exploited. New Caledonia boasts many submerged ships; in total, more than 300 large vessels are known to have been lost in its waters. Pitcairn is best known for the story of *The Bounty*, famously associated with one of the most notorious mutinies in British history. *The Bounty* wreck and mutineer village sites on land are therefore culturally very significant for the population. Tokelau has underwater cultural heritage sites that provide testimony to the contacts made by Tokelau with surrounding countries. Samoa will host in Apia in 2014 the Third International Conference on Small Island Developing States, bringing together over 50 small island developing States. The Conference, for which the preparatory process is ongoing, is a major event that will provide an ideal opportunity to

highlight the importance of the extensive underwater cultural heritage of the small island developing States for their sustainable development.

30. UNESCO is the primary United Nations support agency for Tokelau under the Pacific multi-country United Nations Development Action Framework. It coordinated and led the common country assessment, national consultation and preparation of the national matrix of activities under the Framework. The common country assessment was completed in 2012; the matrix is currently in its final stages and is expected to be presented to the General Fono for endorsement.

E. World Food Programme

31. The World Food Programme (WFP) does not have activities in any of the Non-Self-Governing Territories but supports refugees from Western Sahara in Algeria. Since 1986, WFP has provided assistance totalling around $278 million under successive prolonged refugee and recovery operations, the last of which will run from January 2013 to December 2014.

32. Refugees from Western Sahara are hosted in five camps located in an area that is 30 to 180 km away from the Algerian town of Tindouf, in the harsh, isolated desert environment of south-western Algeria, where temperatures exceed 50°C in the summer, there are frequent sandstorms and dust storms and water is scarce and heavily mineralized. Opportunities for self-reliance are extremely limited, forcing the refugees to rely on international humanitarian assistance for their survival. Despite assistance, malnutrition levels remain a concern. In spite of the difficult living conditions, the refugees are well organized and manage their own society and institutions within the camps.

33. The WFP operation aims at ensuring food security for, and preventing the deterioration of nutritional status and enhancing the capacities of, refugees from Western Sahara in Algeria. The operation is conducted through general food distribution, mother and child health and nutrition programmes and feeding programmes at schools.

34. WFP and the Office of the United Nations High Commissioner for Refugees (UNHCR) carried out a joint assessment mission in October 2011, which confirmed that continued food assistance was needed for the refugees and that most of the refugees remained highly dependent on humanitarian aid from the international community for their survival. The WFP operation targets the most vulnerable among the refugees from Western Sahara living in Tindouf. In the absence of a census or formal registration process for refugees by UNHCR, WFP followed the UNHCR planning figure, based on the 2001 census that had not been completed, and distributes 90,000 general food rations and 35,000 supplementary general food rations to the most vulnerable among the refugees. WFP therefore covers the basic food needs of the most vulnerable and helps to support their livelihoods. After more than two decades of continuous collaboration with WFP, distributions are carried out safely within the camps themselves.

35. The level of organization achieved by beneficiaries in respect of the distributions is remarkable. Most of the distribution chain comprises women and beneficiaries organized into groups or family members living in the same

neighbourhood area. The head of each group is in charge of receiving the food at the distribution point and allocating it to the respective families.

36. Over the years, several nutrition surveys have been conducted to address issues that affect people living on basic commodities and in such a hostile environment, with very limited access to fresh produce (vegetable, fruits or diary products). Based on the surveys, WFP and other partners have implemented a cotamon framework for all maternal and child health and nutrition interventions. The latest survey, conducted in November 2012, indicated that while the needs remain high, the activities carried out have had a positive impact on some of the nutritional indicators.

37. WFP provides a corn soya blend, sugar and vegetable oil rations to mothers and lactating women and the nutritive mix "Super CerealPlus" to children. It also undertakes a feeding programme at the schools, which provides a mid-morning meal of date bars with dry skimmed milk to the schoolchildren. The children, 51 per cent of whom are girls, are aged 6 to 16 and attend a number of primary and intermediate schools in the camps. The feeding programme is a safety net mechanism and provides an incentive for maintaining the enrolment and retention of children in schools. It also aims to reduce short-term hunger among the children to increase their concentration during lessons and to enhance their learning abilities.

38. WFP also constructs or rehabilitates storage facilities and distribution points within each camp. Frequent training programmes in the logistics, monitoring and handling of nutrition activities are delivered to enhance the capacity of the refugees.

Annex

Economic Commission for Latin America and the Caribbean: meetings and/or workshops attended by representatives of Non-Self-Governing Territories during 2011-2013

Name/description of meeting/seminar	*Participating associate members*
Regional workshop on the System for the Retrieval of Census Data for Small Areas by Microcomputer and web server applications development for data dissemination, Saint Lucia, 2-12 August 2011	British Virgin Islands, Turks and Caicos Islands
Regional evaluation workshop on strengthening the capacity of national statistical offices in the Caribbean small island developing States to fulfil the Millennium Development Goals and other internationally agreed development goals, Trinidad and Tobago, 12 December 2011	Turks and Caicos Islands
Expert group meeting on national accounts, Trinidad and Tobago, 26-28 September 2011	Anguilla, Bermuda, Cayman Islands, Montserrat, Turks and Caicos Islands
Working group meeting on price statistics, Trinidad and Tobago, 13-15 October 2011	Anguilla, Bermuda, British Virgin Islands, Cayman Islands, Montserrat
Training on price collection, validation and processing, Trinidad and Tobago, 10-12 October 2011	Anguilla, Bermuda, British Virgin Islands, Cayman Islands, Montserrat, Turks and Caicos Islands
Expert group meeting on price statistics and national accounts: International Comparison Programme round 2011, Saint Kitts and Nevis, 26-30 March 2012	Anguilla, Bermuda, British Virgin Islands, Cayman Islands, Montserrat
Expert group meeting on price statistics, Aruba, 27-30 August 2012	Anguilla, Bermuda, British Virgin Islands, Cayman Islands, Montserrat, Turks and Caicos Islands
Expert group meeting on price statistics and national accounts: International Comparison Programme round 2011, Chile, 3-6 December 2012	Anguilla, Bermuda, British Virgin Islands, Cayman Islands, Montserrat, Turks and Caicos Islands

United Nations E/2013/56

Economic and Social Council

Distr.: General
25 April 2013

Original: English

Substantive session of 2013
Geneva, 1-26 July 2013
Item 4 of the provisional agenda*

Role of the United Nations system in promoting productive capacity, employment and decent work to eradicate poverty in the context of inclusive, sustainable and equitable economic growth at all levels for achieving the Millennium Development Goals

Report of the Secretary-General

Summary

The present report presents an overview of the activities carried out by the United Nations system in ensuring follow-up to the ministerial declaration adopted by the Economic and Social Council in 2012. The report highlights inter-agency collaborations that promote productive capacity, employment and decent work; reflections on the Millennium Development Goals and the post-2015 agenda; and considerations for enhanced partnerships and targeted interventions. The report makes a number of recommendations to enhance the role of the United Nations system in this area.

* E/2013/100

13-31476 (E) 240513

Please recycle

I. Institutional background

1. In pursuance of Economic and Social Council decision 2008/29,[1] the 2013 coordination segment focuses on the role of the United Nations system in promoting productive capacity, employment and decent work to eradicate poverty in the context of inclusive, sustainable and equitable economic growth at all levels for achieving the Millennium Development Goals.

2. Since the 1995 World Summit for Social Development, the importance of employment and decent work has been recognized as indispensable for economic growth, social cohesion and poverty eradication and thus an essential element of sustainable development. In the 2006 Economic and Social Council ministerial declaration[2] devoted to employment and decent work, the Council requested the United Nations system to support efforts to mainstream the goals of full and productive employment and decent work for all in their policies, programmes and activities. Subsequently, the 2007 Economic and Social Council coordination segment encouraged all relevant agencies of the United Nations system to collaborate in using, adopting and evaluating the application of the Toolkit for Mainstreaming Employment and Decent Work, previously endorsed by the United Nations System Chief Executives Board (CEB). The Economic and Social Council also emphasized the importance of a job-centred approach to recovery from the financial and economic crises through its resolution 2009/5 on the Global Jobs Pact.

3. Policy objectives related to productive capacity, employment and decent work are also enshrined in a number of other international agreements and commitments, including those adopted at the 2010 Millennium Development Goal Summit; the second United Nations Decade for the Eradication of Poverty; the Fourth United Nations Conference on Least Developed Countries; and the 2012 United Nations Conference on Sustainable Development. These affirmed full and productive employment and decent work as a central component of international and national policymaking essential for boosting productive capacity, eradicating poverty and achieving sustainable development.

4. The 2012 Economic and Social Council ministerial declaration[3] provides further impetus to the promotion of productive capacity, employment and decent work for all and calls for greater efforts at all levels to promote people-centred economic growth for poverty eradication and sustainable development; one that places employment and decent work at the centre of growth and development strategies. The Declaration includes a resolve to take urgent action to achieve sustainable development, which was closely linked with both job creation and efforts to eradicate poverty. The need to strengthen the productive capacity of developing countries, in particular the least developed countries, was also recognized.

[1] See E/2008/INF/2/Add.1.

[2] See A/61/3, para. 50.

[3] See E/HLS/2012/1.

II. Growth, employment and decent work: global outlook, challenges and prospects

5. Now, more than five years since the beginning of the financial crisis, the world economy is not yet on a stable and sustainable recovery path. After a rebound at the end of 2009 and 2010, growth faltered amid concerns about spillovers from lack of financial sector and sovereign debt sustainability, centred on European countries. In 2012, fears of sovereign bonds default or even the potential risk of break-up of the euro area currency union spread around the world, adding to a weakening outlook for growth in output and disposable incomes. High unemployment, continued deleveraging by firms and households, continued banking fragility, heightened sovereign risks, fiscal tightening and slower growth are still feeding on one another in early 2013.[4]

6. The economic difficulties of developed countries are spilling over to developing countries and economies in transition through weaker demand for their exports and heightened volatility in capital flows and commodity prices.[5] Short-term measures have seemingly mitigated market uncertainties, without completely eliminating them. Accordingly, the outlook for growth over the next 12 to 18 months is insufficient to generate sustainable momentum over the medium run.

7. On the back of this lost growth momentum, global unemployment has started to increase again. It is likely to reach almost 203 million job seekers this year and more than 210 million by the end of 2017.[4] At the same time, labour force participation is on the decline, as long-term job seekers become discouraged and potential participants prefer to continue education or stay out of the labour market altogether. This has resulted in some 67 million fewer jobs in the global economy than in 2007, which constitutes a jobs gap unlikely to be closed soon unless policies and prospects change drastically.

8. Young women and men are particularly hard hit by these developments. Youth unemployment has reached historic proportions in some countries, reaching over 50 per cent of the youth labour. According to the International Labour Organization (ILO), youth unemployment is expected to increase to 12.9 per cent by 2017, while the global unemployment rate is projected to be around 6 per cent by then. This has created the risk of a "lost generation", as valuable labour market experience and skills are not being achieved. Also, the headline number does not give the full picture, as many young people who do get hired have to accept precarious forms of employment or part-time work. These employment prospects underscore the urgency of continued collaboration and partnerships in this area.

III. Meeting the Millennium Development Goals

9. Over the past decade, developing countries have made significant progress towards the achievement of Goal 1, particularly in reducing extreme working poverty. The overall rate of extreme working poverty of all developing countries (at the $1.25 purchasing power parity level) declined from more than 32 per cent of total

[4] United Nations, *World Economic Situation and Prospects 2013* (United Nations publication, Sales No. E.12.II.C.2 and E/2012/72).

[5] See International Labour Organization, *Global Employment Trends 2013* (Geneva, 2013).

employment to barely above 15 per cent. Much of this progress is owed, however, to the improvements in living standards in a few large countries, most notably Brazil and China.

10. Despite progress in extreme working poverty, the working poor and workers in vulnerable employment suffer from a faltering world economy. Overall, one in every three workers in the world is living with their families below the $2 average poverty line. Nearly 8 out of 10 working poor at the $1.25 level live in rural areas, compared with 4 out of 10 non-poor workers. The bulk of these workers are employed in the agricultural sector and in own-account or unpaid family work.[6] They account for a large part of the population of developing countries and are particularly vulnerable to food insecurity, further economic shocks and the new poverty challenges associated with climate change and environmental degradation. Small-scale farmers and rural workers are also more likely to lack access to social protection and social services.

11. Over the last decades, the growth in wages has been slower than the labour productivity growth in most countries with available data. The widening gap between wage growth and labour productivity has led to a change in the distribution of income, with labour shares of national income decreasing and capital share increasing.[7]

12. Vulnerable employment, the sum of own-account and contributing family members, has gradually declined only over the past decade and remains very high, most notably in least developed economies with a rate of over 88 per cent of total employment. For working poverty to decline further, a more rapid transition from vulnerable employment to more productive and decent employment is essential. In this regard, social protection measures would be instrumental.

13. Most regions continue to experience very high employment-to-population rates that remain roughly at their 2002 levels. Much of this employment, however, is informal, interrupted by lengthy periods of unemployment or underemployment and without proper perspectives for skills development or the accumulation of social security entitlements. In many Latin American countries, for example, the existence of this dual economy has posed a challenge to transferring productivity gains to low-income workers and to ensuring social protection coverage.[8] Policies to induce formalization and enhancing productive capabilities are urgently needed.

14. High unemployment rates remain a concern in most developed countries.[9] While no improvement is expected in the unemployment rate in North America, labour markets in Europe have shown diverging performance. Unemployment rates improved in many of the Asian developing countries and in most countries in Latin America. However, a number of African and Western Asian countries continue to struggle with high unemployment rates.

---

[6] See International Labour Organization, *Global Employment Trends 2012* (Geneva, 2012).

[7] See International Labour Organization, *Global Wage Report 2012/13: Wages and equitable growth* (New York, 2012).

[8] See Economic Commission for Latin America and the Caribbean, Structural change for equality: an integrated approach to development (Santiago, 2012).

[9] See United Nations, *World Economic Situation and Prospects* (New York, 2012).

Lessons learned for a future development agenda

15. Employment and decent work has emerged as a repeated and key concern in public consultations on the post-2015 framework.[10] Lack of decent jobs, jobless growth, absence of adequate social protection and persistent poverty and overall unemployment, particularly among young people, remain high on the agenda. Public consultations revealed a growing consensus that development policies must target employment creation specifically, and include strategies aimed at formalizing the informal sector, and developing social protection floors to guarantee minimum living conditions. The United Nations System Task Team on the Post-2015 United Nations Development Agenda has also identified the inadequate incorporation of employment and decent work as a weakness of the Millennium Development Goal framework.[11]

16. ILO and the United Nations Development Programme (UNDP) have jointly led global thematic consultations on "Growth, structural change and employment" for the post-2015 development framework. The consultations highlighted the potential impact of an increased focus on decent jobs not only as the primary source of sustainable livelihoods, but also of progress across the Millennium Development Goals as a whole. Key issues running through the discussions at the country and international levels include youth employment, informality of employment, marginalization of people in the labour markets, labour migration, social protection and policies for improving productive capacities in developing countries.

17. Reaching the target of full and productive employment and decent work for all (target 1.B of Goal 1) remains a significant challenge. Growing income inequality, much of it resulting from a diminishing share of wages in national income and increasing inequality within employment income, threatens social cohesion in many regions.

18. Lessons learned over the past decade suggest that policies for building productive capacity and achieving decent work are available. Even the poorest regions in East Asia, South-East Asia, the Pacific region, Latin America and the Caribbean have achieved pockets of success in quality employment generation and poverty reduction, especially through employment-intensive initiatives, small and medium-enterprise promotion, conditional cash transfers and other policy measures contained in the Global Jobs Pact.[12]

19. As the world looks beyond 2015 towards a new development agenda, countries must stay on track to make as much progress as possible by the target date, and the United Nations system should continue to be able to respond to the needs of Member States and help quantify challenges and progress. How employment structures and patterns change is an important determinant of the degree to which growth is pro-poor and on a sustainable path. Labour market information can help quantify the direction and pace of these fundamental characteristics of the development process.

20. Expanding national statistical collection services and monitoring development outcomes at the country level is essential for effective policymaking and

[10] See International Labour Organization, "Jobs and livelihoods at the heart of the post-2015 development agenda", ILO Concept Note N.1 on the post-2015 development agenda (2012).

[11] See United Nations System Task Team on the Post-2015 United Nations Development Agenda, "Realizing the Future We Want for All: Report to the Secretary-General" (New York, 2012).

[12] See International Labour Organization, "Recovering from the crisis: A Global Jobs Pact" (Geneva, 2009).

implementation. Measuring increases in the volume of decent jobs would require indicators of several dimensions of the quantity and quality of employment. Ideally, such indicators would also be disaggregated to ensure that progress is equitable across gender and generations. The Evidence and Data for Gender Equality Initiative, managed jointly by the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) and the Statistics Division of the Department of Economic and Social Affairs, seeks to push existing efforts to have comparable gender indicators on education, employment and entrepreneurship and assets, and will develop a database for international data and metadata compilation in these fields. Improving rural labour statistics and evidence on the functioning of rural labour markets is of utmost importance. Improving the availability of data, the coordination of national statistical systems and mechanisms for reporting to international statistical agencies is under way, but continued and concentrated efforts are needed, supported by the United Nations system.

21. Efforts are also needed to build stronger partnerships around a policy agenda that targets job creation and productivity growth to reduce poverty and informality. This encompasses, among other elements, strengthening education and skill development tailored to available jobs, extending social protection coverage and access to health care, promoting private sector development, investing in infrastructure, encouraging structural diversification, promoting innovation for low carbon technologies, narrowing inequalities and upholding the rights of women and men, the young and the vulnerable in the rural and informal economies.

IV. Strengthening coordination and collaboration of United Nations activities in promoting productive capacity, employment and decent work

A. Strengthening social protection

22. The 2012 Economic and Social Council ministerial declaration stressed the need to provide social protection to all members of society, fostering growth, resilience, social justice and cohesion, including those who are not employed in the formal economy. In this regard, the United Nations system was called on to support national Governments in their efforts to develop and expand social protection floors. Expansion of social protection floors, with consideration for fiscal sustainability, has an important role to play in achieving further gains against poverty and supporting aggregate demand. Since the implementation of social protection floors transcends the mandate of any individual United Nations agency, the United Nations system has been responding coherently and in a coordinated way to country requests to support them in developing and expanding social protection floors. Under the joint leadership of ILO and the World Health Organization (WHO), the Social Protection Floor Initiative has made significant progress in gathering partnerships within and beyond the United Nations system.

23. The Social Protection Inter-Agency Cooperation Board, chaired jointly by ILO and the World Bank, was created to implement the Social Protection Floor Initiative.

Participating agencies[13] committed to join forces on social protection data harmonization, knowledge-sharing and capacity-building, global coordination, research and advocacy and international cooperation in country demand-driven actions by developing common assessment tools. In 2012, UNDP led the development of a knowledge-sharing online platform for social protection to provide an entryway to the knowledge and information produced in agencies and organizations doing work on social protection.

24. Country-level support to countries requesting assistance on social protection is being organized through ILO-led United Nations Social Protection Floor Initiative[14] joint teams in Indonesia, Jordan, Mozambique, Thailand and Zambia. To support Governments in developing a holistic and coherent social protection system, the joint teams applied the Assessment Based National Dialogue process, which aims to review and assess social protection provisions based on the ILO Social Protection Floors Recommendation, 2012 (No. 202); identify policy gaps and implementation issues; provide recommendations for the improvement of social protection strategies by identifying priority areas for Government intervention; and estimate the cost and fiscal implications of closing the gaps and introducing new social protection schemes or expanding existing ones with a view to rationalize and optimize the use of public resources.

B. Integrated environmental policies

25. The transition towards environmentally sustainable development is an area where greater coherence in policymaking can help facilitate growth by encouraging investment, the creation of new jobs and the upgrading of existing jobs. The outcome of the 2012 Conference on Sustainable Development marked a key evolution in the relationship between environmental policies, the world of work and social development. The 2012 Economic and Social Council ministerial declaration acknowledged the need to further mainstream environmentally sustainable development at all levels. A transition to a green economy requires sustainable production and consumption patterns; these will trigger modifications to practices in most enterprises and workplaces and changes in cross-sectoral composition of employment. The shift needs to create not only the incentives for enterprises to invest, but also the capability for them to adopt new modes of production. Moving to a more environmentally sustainable economy can reinforce good labour market and social development outcomes, including poverty alleviation. But this is not automatic. It will hinge on the right policies, including on required skills training for a smooth and equal transition to a green economy, and on institutions capable of implementing them.

26. Employment and social considerations of environmental policy are being elaborated by United Nations agencies in the CEB working group on climate change. ILO, WHO and the Department of Economic and Social Affairs are co-convening a task team on the social dimensions of climate change, with the participation of 16 agencies. The aim is to highlight various aspects related to climate change such as labour, health, gender, migration, social protection and human rights. ILO,

[13] Social Protection Inter-Agency Cooperation Board meetings were attended by 16 international organizations, 11 bilateral institutions and 5 international NGOs.

[14] United Nations agencies at the country level that are working on social protection and that agreed to combine their efforts.

together with the United Nations Environment Programme (UNEP) and the United Nations Industrial Development Organization (UNIDO), are increasing support to member countries, for example, through the Green Economy Advisory Services, by raising awareness and capacity-building, assistance with mapping and quantifying environmentally sustainable job opportunities and challenges and with designing and implementing policies in priority sectors. These efforts have been underpinned by knowledge generation and testing of approaches.

27. For example, the joint UNEP/UNDP Poverty-Environment Initiative has supported the integration of social, economic and environmental objectives into national development policies in 18 countries, and has promoted environmentally based activities that create jobs and facilitate transition to formality, for example, in the case of waste management in Uruguay. The Food and Agriculture Organization of the United Nations (FAO) and ILO are also collaborating in the area of green jobs creation in sustainable micro, small and medium enterprises operating in the Zambian building industry.

C. Enhancing sectoral policy coordination

28. The 2012 ministerial declaration reiterates the importance of developing coherent policies that are employment and entrepreneurship-friendly. Policies promoting structural change, typically initiating improvements in agricultural productivity, supporting industrial development and shifting into higher value-added service sectors have contributed to poverty reduction in some countries in recent decades.[15] Sectoral strategies, including in the areas of agriculture and food security, education, health, tourism, water and fisheries, should equip workers to improve productivity, start their own businesses and take up employment opportunities in other sectors. Enhancing economic opportunities and improving working conditions while increasing the employment intensity of growth requires action across a range of sectors.

29. Stronger United Nations programming and coordination to achieve synergies and build on the sectoral work of the various United Nations agencies, funds and programmes can maximize the potential of such sectors in terms of employment generation and quality of jobs. Several United Nations initiatives demonstrate the potential of sectoral policies in generating employment and promoting decent work. For example, the World Food Programme (WFP) uses food assistance to build and rehabilitate livelihood assets, which reach between 15 million and 20 million beneficiaries annually. The United Nations World Tourism Organization has partnered with other United Nations organizations in the Steering Committee on Tourism for Development to promote sustainable tourism for job creation and poverty eradication. FAO, in collaboration with ILO and partnering with relevant line ministries at the country level, is working in Malawi and the United Republic of Tanzania to strengthen the enabling environment for the promotion of decent rural employment. The intervention places particular attention to improve the policy dialogue between agricultural and labour stakeholders. It also includes support on youth employment and child labour.

[15] See Irmgard Nübler, Industrial policies and capabilities for catching up: Frameworks and paradigms (International Labour Organization, 2011).

D. Trade and productive capacity

30. The ministerial declaration recognized the need to strengthen the productive capacity of developing countries, in particular least developed countries, and reaffirmed the role of international trade as an engine for development and sustained economic growth. A major challenge faced by developing countries has been moving up value chains towards the export of processed goods both to developed country markets and to new, emerging markets arising from a sustained growth in the purchasing power of middle-income countries. Comprehensive policies aimed at attracting foreign direct investment into value chain creation and diversification and encouraging investors to incorporate small and medium enterprises into their supply chains are clearly needed. The International Trade Centre (ITC) has supported national trade policy in this regard in two ways: through evidence-based business advocacy and through capacity-building of trade support institutions and small and medium enterprise exporters. At the next World Export Development Forum (2013), ITC will bring together public and private sector stakeholders to foster small and medium enterprises integration into global value chains.

31. The World Trade Organization (WTO) global initiative on aid for trade is, among other goals, geared towards helping countries build their productive capacities. In this respect, it is an instrument that positions the enhancement of national productive capacities as a key mechanism for promoting economic growth and poverty alleviation. Its main objective is to enhance the supply-side capacity of developing countries to allow them to take advantage of the market access opportunities. It is implemented in close cooperation with a number of global and regional United Nations organizations[16] and has important pledges by countries, including Group of 20 (G-20) members. The WTO Third Global Review of Aid for Trade showed that aid for trade is working and contributing to grassroots-level development and poverty alleviation. The upcoming Fourth Global Review of Aid for Trade (July 2013) will examine strategies to connect developing country and least developed country firms to global and regional value chains, assess how they can be helped in moving up the value chain and discuss the associated development benefits in the context of the debate about the post-2015 development agenda.

E. Foundations for sustainable development: human rights treaties, international labour standards, supportive national legislation

32. The 2012 ministerial declaration reaffirmed the commitment of Member States to promote opportunities for full, freely chosen and productive employment and decent work for all, with full respect for fundamental principles and rights at work under conditions of non-discrimination, equity, equality, security and dignity. Respect for the fundamental principles and rights at work, both as human rights and as an enabling condition for the creation of decent jobs, play a key role in linking economic growth and sustainable enterprises and social progress.[17] International

[16] These include UNCTAD, UNDP, Economic Commission for Africa, UNIDO, World Bank, International Monetary Fund (IMF), World Customs Organization, Organization for Economic Cooperation and Development, ITC, African Development Bank, Asian Development Bank, European Bank for Reconstruction and Development, Inter-American Development Bank, Islamic Development Bank.

[17] See conclusions adopted by the International Labour Conference on 13 June 2012.

labour standards provide a normative guide for coherent policies to ensure that economic growth is translated into improvements in the quantity and quality of jobs, in working conditions, skills development, social protection, gender equality and effective tripartite social dialogue.

33. A number of international labour conventions and recommendations, in addition to the fundamental conventions contained in the ILO Declaration on Fundamental Principles and Rights at Work and its follow-up (1998), serve as drivers for social and economic development. National social protection floors[18] are critical to the achievement of the internationally agreed development goals and Millennium Development Goals and should be so for the post-2015 development agenda. ILO conventions dealing with wages[19] can reduce poverty and inequity, increase demand and contribute to economic stability. In addition to the international labour conventions and recommendations, human rights treaties, mechanisms and instruments have also addressed the issue of productive employment and decent work for all. While these conventions are important to set the framework, it is also necessary to work on the right implementation arrangements, including a mechanism to reach the informal sector, and build institutional capacity to monitor and enforce regulations.

F. Active labour market policies

34. Active labour market policies, such as direct job creation and training, can make an important difference to the way labour markets function, enabling a better matching of employment opportunities and workers' capabilities and thus the sustainability of development. Employment guarantee schemes, for example, not only provide the income and social protection for the most vulnerable and casual workers, but are important stepping stones for skills development, preventing skills losses owing to long-term unemployment and more permanent integration into labour markets, especially in rural areas. They help revitalize local economies, as is evident from UNDP programming in target countries (for example, in Burundi, Myanmar and Somalia).

35. Appropriate support to self-employment and entrepreneurship among youth and in particular women has become an important means of transforming the sources of livelihoods for millions into sustainable businesses and enterprises in the economy, with increased access to domestic and external markets. The fusion between informal apprenticeship systems with formal training systems and certification is showing promising results in a number of least developed countries in West Africa, for example.

36. Significant decent work deficits in rural areas remain a major concern. Given the nexus between food security and decent work, greater attention is needed for policies that support investment and productivity in agriculture and the rural non-farm economy, as well as the urban informal economy, and facilitate a gradual transition to formality. In recent years there have been many innovations in public employment programmes yielding lessons of good practice for enhanced partnerships at the global level. FAO, the International Fund for Agricultural Development (IFAD) and ILO have strengthened coordination among international and national actors for

[18] See the National Social Protection Floors Recommendation, 2012 (No. 202), and the Social Security (Minimum Standards) Convention, 1952 (No. 102).

[19] See the Protection of Wages Convention, 1949 (No. 95), and the Minimum Wage Fixing Convention, 1970 (No. 131).

unleashing rural development through employment and decent work. With FAO and IFAD, UNIDO has launched the Accelerated Agribusiness and Agro-industries Development Initiative aimed at enhancing the productivity and profitability of agribusinesses, especially in Africa. FAO and ILO are also actively collaborating on preventing child labour in agriculture within the International Partnership for Cooperation on Child Labour in Agriculture. In turn, the United Nations Human Settlements Programme (UN-Habitat) is working with cities to implement innovative policies that promote the productivity of the informal sector.

37. A greater focus on adequate education and skills for employment creation is needed to address the mismatch between education and available jobs, and to increase innovation and adopt new technologies in order to achieve inclusive growth. A workforce that has been appropriately trained and is able to continue learning is also paramount for boosting investor confidence and thus job growth. In this regard, universities and technical institutes play a key role in linking workers and enterprises. Through the Inter-Agency Group on Technical and Vocational Education and Training, ILO, the United Nations Educational, Scientific and Cultural Organization (UNESCO), regional organizations and development banks are working to improve the coherence of policy advice and technical assistance provided to developing countries. Recommendations developed by the Inter-Agency Group on Technical and Vocational Education and Training working group summarize the types of labour market and skills development policies necessary to maximize the job-creation potential of sustainable growth while minimizing labour market adjustment costs.

38. Other United Nations agencies have also been active in fostering skills development. The United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), in partnership with UNESCO and the European Computer Driving Licence Foundation, has been offering international computer driving licence courses to 3,000 vocational training centre students and youth annually. Through its technical and vocational education and testing initiatives in many countries, UNDP has a proven track record in helping countries bridge the gap between demand for and supply of labour.

39. Active labour market programmes can indeed facilitate transitions into wage or self-employment, provided that they are well designed and implemented. Rigorous evaluation of alternative interventions (training, intermediation, job search assistance, wage subsidies, public work and services, support to entrepreneurship) are needed to identify which interventions work in certain contexts and what the key elements are in terms of design and implementation.

40. While services are becoming more and more important in employment creation, industry provides the foundation for entrepreneurship, promotes business investment, fosters technological upgrading and dynamism, improves human skills and creates jobs. It is therefore the principal source of employment creation and income generation. UNIDO, with its mandate to promote inclusive and sustainable industrial development, supports several successful entrepreneurship development programmes.

G. Improving prospects for youth employment

41. The global recession has exacerbated the pre-existing crisis that affected the employment prospects of young people and their transition to decent work. The

global jobs crisis has resulted in increased vulnerability for young people in terms of: (a) higher unemployment; (b) lower quality of jobs for those who find work; (c) greater labour market inequalities among different groups of young people; (d) longer and more insecure school-to-work transitions; and (e) increased detachment from the labour market. The 2012 ministerial declaration recognizes the need to improve opportunities for young people to gain access to productive employment and decent work, and calls on the United Nations system to strengthen the youth focus of programmes on employment.

42. The United Nations system has displayed its commitment to foster coherence of policies in promoting productive capacity, employment and decent work for young women and men. The resolution "The youth employment crisis: A call for action", adopted in June 2012 by the International Labour Conference at its 101st session, contains a set of conclusions that constitute a blueprint for shaping national strategies for youth employment.[20] The United Nations Chief Executives Board has recently endorsed a system-wide action plan on youth, with youth employment and entrepreneurship as one of the main priorities. UN-Habitat supports the design and implementation of innovative youth economic empowerment models. One of them is setting up One Stop Youth Centres in cities and another is providing small-scale grants to promising urban youth projects to promote youth access to entrepreneurship, incomes and livelihoods.

Box 1

The Millennium Development Goals Achievement Fund: Improving coordination and coherence on youth employment through joint United Nations programming

Implementation of joint United Nations programmes on youth employment and migration are being led by ILO, together with 15 United Nations country teams. Sponsored by the Millennium Development Goal Achievement Fund of Spain, this joint programming has resulted in more integrated and mutually supportive approaches that operationalize national youth employment priorities within the overall decent work concept. These 15 joint programmes span across the four pillars of the decent work agenda, from rights at work to integrated youth employment initiatives, conditions of work, labour migration policies and protection of migrant workers. Examples include initiatives to: (a) promote rights at work, especially for migrant young workers; (b) support Member States in the formulation of gender-sensitive youth employment policies and national or regional action plans; (c) pilot and evaluate innovative and multi-component youth employment programmes; and (d) develop national partnerships involving the social partners and other actors. Other joint programmes on decent work for youth have recently been implemented by ILO in partnership with FAO (Nepal), the United Nations Children's Fund (UNICEF) (Somalia), UNDP (Serbia, Lebanon, Liberia and Sierra Leone) and UNIDO (Mano River Union countries).

[20] The call for action will also be discussed in the General Assembly and the Economic and Social Council; see A/67/796-E/2013/12.

H. Increasing women's participation in employment

43. The 2012 ministerial declaration emphasizes the importance of promoting and protecting the rights of women workers, removing structural and legal barriers, and eliminating stereotypical attitudes, as well as promoting equal pay for work of equal value. Despite increases in the participation of women in the labour force, the global female-to-male employment ratio remains 66:100. Massive gender gaps in employment rates remain in South Asia, as well as in the Middle East and North Africa. Throughout the formal sector, women tend to be segmented into lower status jobs and are particularly susceptible to job loss. They are also overrepresented in the informal work sector. Women's access to and participation in the labour market are constrained by gender-based occupational and sectoral segregation, gender wage gaps, limited control over assets and the disproportionate burden of unpaid work.[21] Gender inequalities are particularly acute in rural areas.

44. Joint initiatives and partnerships promoting productive employment and decent work, therefore, need to take a comprehensive approach that addresses these constraints faced by women. To this end, ILO and UNICEF are advocating an integrated social policy framework to address the needs of working parents and families with a focus on the provision of quality childcare as a key component for achieving decent work and sustainable development.

45. The partnership of UN-Women and the United Nations Global Compact on the Women's Empowerment Principles is engaging the private sector to advocate for the full integration of gender equality and women's empowerment into corporate sustainability policies, practices and initiatives. A United Nations joint programme in Ethiopia (UN-Women, United Nations Population Fund (UNFPA), UNDP, UNICEF, UNESCO and ILO) addressed women's education and economic empowerment, trained 6,000 women in business development and extended credit services to another 8,000 women to start businesses. The ITC Global Platform for Action on Sourcing from Women Vendors, in partnership with the private sector, Governments and institutions, focuses on increasing the share of procurement from women vendors.

I. Conflicts and disasters: decent work for prevention and reconstruction

46. Conflicts and disasters affect human security and undermine development achievements, damaging productive capacity, diverting resources and distorting the decisions of economic agents with detrimental effect on economic prospects and employment opportunities. Post-conflict and post-disaster situations require a careful balance of short-term (urgent needs of the population) and longer-term developmental considerations in designing policy responses. Strategies for decent work can help prevent conflict and disaster and speed recovery. Productive jobs, social protections, human and labour rights, social dialogue through an effective tripartite approach represent a powerful strategy for socioeconomic reconstruction, social inclusion and peacebuilding among communities and nations.

47. The United Nations Policy on Post-Conflict Employment, Income Generation and Reintegration, elaborated under the leadership of ILO and UNDP, offers

[21] See International Labour Organization, *Global Employment Trends for Women* (Geneva, 2012).

practical examples of programmatic coherence through the three-track approach of concurrent measures aimed at stabilization, local economic recovery and sustainable decent work. In the aftermath of the earthquake in Haiti, UNDP helped generate 1.296 million workdays through emergency public employment benefiting 64,800 workers. Also, the project Promoting Civic Values and Life Skills for Adolescents through Education in Iraq, which brought together UNESCO, UNFPA, the Economic and Social Commission for Western Asia (ESCWA) and local authorities, resulted in poverty reduction and employment generation through increased quality of education, skills development and employability for youth. In a number of countries, UNIDO has assisted displaced persons of all ages, through vocational training centres and creating industries or upgrading village-based industries that in turn contribute to social cohesion and reconciliation.

J. Policy coherence for sustained, inclusive and equitable economic growth

48. The 2012 ministerial declaration called for support to continued efforts to put productive employment at the heart of actions to restore growth and promote a job-rich recovery at all levels, including through sustained, inclusive and equitable economic growth, by reinforcing cooperation and coherence in this area within the United Nations system and together with the international financial institutions. Effective poverty reduction policies and strategies must be designed and coordinated so that the poor can take advantage of the employment opportunities generated by growth, overcome income poverty and insecurity and exercise their rights.

49. The need to connect more effectively employment and social to fiscal and monetary policies is becoming more urgent, as the effects of weakened labour markets feedback back into growth which then further add to pressures on jobs and wages. As noted in a recent IMF paper, while there is no "one size fits all" growth strategy, macroeconomic stability is an essential foundation.[22] Macroeconomic policies that promote a recovery in growth, together with complementary structural policies, can be effective tools to boost employment in many countries. For example, taxation and spending policies that are as growth and job-friendly as possible can contribute to better employment and social outcomes. The high degree of economic interdependence, especially with regard to financial markets, makes it increasingly important that national policy shifts are internationally coordinated both to avoid risks and to increase the positive impact of more growth-oriented policy stances. The international community is increasingly acknowledging the need to coordinate financial and economic policies at the international level to safeguard global financial stability. These issues have figured prominently in successive issues of the United Nations World Economic Situation and Prospects reports and the regular dialogue sessions between the Economic and Social Council and the international financial institutions.

50. The economic and social dimensions can be linked through coordinated efforts by creating national development boards where the social and economic policies at the national level can be debated and implemented. This could be done whereby the Government brings its social and economic partners, including the private sector,

[22] International Monetary Fund, "Jobs and Growth: Analytical and Operational Considerations for the Fund" (Washington, D.C., 2012).

workers' representative and civil society organizations, into the policymaking process at the national level. This is done in many countries, such as Brazil, Denmark, Germany, India and South Africa. The United Nations system, in particular the regional commissions and specialized agencies, such as ILO, can provide a platform for the sharing of experiences and information on the institutional framework.

K. Strengthening national development strategies

51. Poverty reduction and Millennium Development Goal-based national strategies, supported by UNDP and other United Nations entities, in a number of countries place productive employment at the centre of social and economic policies.[23] ILO and its tripartite constituents have worked with policymakers at the national level in the design, the implementation and the monitoring of such strategies. The increased engagement of ministries of employment and labour, employers' and workers' organizations has helped integrate productive employment, enterprise development and social protection and key principles of rights at work, into national development strategies.

52. The ILO Decent Work Country Programmes are a main vehicle by which national priorities and international commitments are blended into operational policies and programmes. The programmes have been integrated into more than 85 United Nations Development Assistance Frameworks (UNDAF). The mainstreaming of the objectives of full and productive employment and decent work into increasingly holistic United Nations support to national programmes has progressed significantly in recent years.

53. An environment that promotes employment and decent work is essential to efforts to raise living standards and overcome the jobs crisis, and Governments have a key role to play in ensuring that public policy is oriented towards such aims. Investment choices need to be evaluated in terms of their impact on employment and standards of living; employment-intensive strategies are in general to be preferred to capital-intensive methods and often prove to be more economically and environmentally sustainable in the development context.

V. Strengthening financing and partnerships for employment and decent work

54. Development cooperation in support of decent work has evolved considerably since the 1990s, where employment was largely viewed as a natural outcome of economic growth. Employment policies attracted little practical support despite their prominence in the internationally agreed development goals. Over the last seven years, social sectors absorbed more than half of the aid flows, whereas the productive sectors and economic infrastructure received much less support.

55. In order to meet the current jobs challenge in the coming decade, donors and development partners will need to include clear targets for development initiatives that explicitly embody employment goals, rather than regard employment as a

[23] See International Labour Organization, A rapid impact assessment of the global economic crisis on Liberia (Geneva, 2009), and E/2011/82.

by-product of growth. This applies to partners of all types: traditional donors with their own well-defined development agendas, emerging partners in the Global South, private sector donors engaging in public-private partnerships, development banks and the growing body of domestic sources of financing for development and the regular budgets of United Nations entities.

56. An important source of funding that could help breach the funding gap related to decent work are public-private initiatives. These build partnerships in which the public sector establishes the regulatory framework and enabling environment for growth by setting sound macroeconomic policies and providing public goods such as infrastructure, health care and education, and support for science and technology. In turn, the private sector plays a critical role in generating employment, raising incomes and increasing productivity. Public and private investments when well designed tend to be complementary, not rivals or substitutes; and the United Nations system provides the perfect venue to forge increased partnerships. Through public-private partnerships, United Nations organizations can leverage their expertise and contributions with those of private and public actors. With its tripartite organization, ILO is particularly well positioned to be a strong partner for the private sector.

57. At the country level, partnerships for decent and productive work across the multilateral system are prioritized in the UNDAFs. These priorities are often made operational through joint programmes developed by United Nations country teams. The recent practice of joint United Nations programming has also served as a platform for establishing partnerships within the United Nations and between national institutions and partners and the United Nations country teams around youth employment. The youth employment and migration window of the Achievement Fund of the Millennium Development Goals has encouraged progress towards more integrated and mutually supportive approaches that operationalize national youth employment priorities within the overall decent work concept. Another example is the FAO integrated model for rural youth employment creation, which has been piloted in collaboration with the private and public sectors in the United Republic of Tanzania through a project funded by the Swedish International Development Agency on policy support on rural employment and decent work towards equitable and sustainable livelihood.

58. South-South cooperation has proven to be instrumental for the advancement of the decent work agenda. The Government of China recently signed a partnership agreement with ILO to promote technical cooperation with a focus on South-South initiatives. India, Brazil and South Africa signed a joint declaration to reaffirm their commitment to South-South and triangular cooperation and the decent work agenda. Moreover, a tripartite working group on decent work of India, Brazil and South Africa was set up to promote exchanges in the area of decent work and South-South cooperation initiatives and to foster dialogue between the Governments of India, Brazil and South Africa, workers and employers. In addition, several projects involving South-South and triangular cooperation arrangements have been supported to address issues such as child labour, social security, employment intensive investments and capacity-building of constituents.

VI. Lessons learned on mainstreaming decent work

59. As the present report has shown, promoting decent work within a sustainable development framework is a high political priority around the world. The United Nations system, with ILO as lead agency, has responded by endeavouring to mainstream the goal of decent work in its support to countries and across a wide range of policy domains. Over 70 countries[24] have made decent work a national priority in their development agenda. Some 14 international organizations have used the Toolkit for Mainstreaming Employment and Decent Work to determine how their policies and strategies in their thematic areas relate to employment and decent work outcomes. By its nature, assessing progress made in mainstreaming decent work among agencies, funds and programmes is a complex exercise.

Box 2
Decent Work Programme in the United Republic of Tanzania

As part of the drive to achieve the Millennium Development Goals by the target date of 2015, a number of countries are stepping up action to promote decent work with the support of ILO and as part of the United Nations Millennium Development Goal Acceleration Framework.

In the United Republic of Tanzania the focus is on organizing small-scale farmers into associations and cooperatives to achieve economies of scale and enable them to access agriculture inputs and implement capacity-building activities to provide affordable and quality services; rehabilitating and developing sustainable small-scale irrigation schemes; stimulating demand for business development services; and promoting awareness, through farmer organizations, cooperatives and agricultural service centres, of post-harvest management techniques, including packaging, storage and transportation, and of quality and standards issues, including grading and packaging.

Joint United Nations agency actions in the United Republic of Tanzania in the run-up to 2015 include ILO and United Nations collaboration to promote implementation of the ILO Domestic Workers Convention (No. 189); an ILO and FAO partnership to enable key national institutions to enhance evidence-based pro-poor economic development policies and strategies; ILO and UNESCO assistance on a Government review of technical and vocational training policy; ILO, UNIDO and UNESCO collaboration in implementing entrepreneurship education in the education system; ILO and FAO are assisting the Ministry of Labour and Employment to develop the National Youth Employment Creation Programme; UNIDO, ILO, ITC, UNCTAD and UNDP together support the Ministry of Industry and Trade in strengthening backward and forward linkages in the agriculture and tourism industry.

[24] The full list of countries and application by region is available from www.ilo.org/public/english/bureau/program/dwcp/countries/index.htm.

60. Mainstreaming should situate decent work issues at the centre of analyses and policy decisions, medium-term plans, programme budgets and institutional structures and processes. This requires explicit, systematic attention to relevant decent work perspectives in all areas of work of the United Nations. In the Middle Eastern region, the ILO decent work country programmes in Bahrain, Jordan, Oman and Yemen focus on employment and work conditions within a broader systems' perspective on social protection, skills enhancement and social dialogue. ESCWA and ILO currently assist the Government of Yemen to examine its public works programme from a rights-based perspective. In the United Republic of Tanzania, the joint programme under UNDAF has enabled the creation of some 3,000 jobs in the Mtwara and Lindi regions.

61. A number of other persistent constraints remain, including inadequate understanding of the linkages between decent work and the impact on different policy areas addressed in other sectors of United Nations programming, as well as resource constraints to address decent work shortcomings once identified. Strategies have been put in place to address such constraints, including fact sheets on various employment policies, briefing notes on the linkages between decent work and different sectors, including through the Toolkit for Mainstreaming Employment and Decent Work.

62. In order to make well-informed decisions on how to expand the employment intensity of programming, an evaluation and assessment of current programming may be needed. An evaluation on mainstreaming decent work in the United Nations system could better identify comparative advantages and existing work, introducing, where possible, areas of existing research and knowledge-management networks, building synergies with ongoing or planned technical cooperation and complementing related capacity-building activities within the broad United Nations system. The evaluation could also review the extent to which existing knowledge-management networks enhance cooperation and coordination among the United Nations system entities. One example of such a network is the Jobs Knowledge Platform, managed by the World Bank in collaboration with partner organizations, which aims to share insights and build synergies across different approaches, sectors and disciplines; create a community to exchange challenges and solutions; and inform important policy debates.

VII. Conclusions and recommendations

63. **Promoting productive capacity, employment and decent work has proven to be a valuable and effective basis for United Nations system-wide coordination because of its cross-cutting policy domains and adaptability to national, local and sectoral circumstances. Its recognition as a global goal of universal relevance also represents the political commitment to encourage greater coordination.**

64. **The stocktaking contained in this report shows that the system has responded enthusiastically to the call for mainstreaming decent work. Nevertheless, a more integrated approach could better link the wide array of relevant policy and programming areas related to employment generation and decent work. A mapping exercise could help identify comparative advantages of United Nations entities and existing work. Looking ahead, increased labour market information is essential to the assessment of progress as well as**

evidence-based research. Extending and coordinating knowledge-management networks, building synergies with ongoing or planned technical cooperation and complementing related capacity-building activities are further areas for attention.

65. **To further enhance the role of the United Nations system in promoting productive capacity, employment and decent work, the Economic and Social Council may wish to consider the following recommendations:**

(a) **The United Nations system, together with the international financial institutions, should ensure coherence between fiscal and monetary targets of macroeconomic policy and employment, social and environmental policies, as well as relevant sectoral policies. Policies for job-rich growth should be supported through innovations and technology transfers to revitalize existing industries and expand into new sectors of the economy that can create productive, skilled and properly remunerated jobs;**

(b) **The United Nations system, with ILO as lead agency, should provide support to countries aimed at promoting policies to boost domestic demand and expand participation in the global trading system to ensure a strong focus on employment levels, wages and working conditions and an equitable income distribution;**

(c) **Particular attention should be paid to incorporating the goals of full and productive employment and decent work in sectoral strategies, in particular in the areas of agriculture and food security, education, health, tourism, water and fisheries, in order to equip workers to improve productivity, start their own businesses and take up employment opportunities in other sectors;**

(d) **The United Nations system should use the relevant human rights instruments and ILO standards and recommendations to promote full and productive employment and decent work for all;**

(e) **The United Nations Development Group, together with ILO, should utilize the numerous tools and policy strategies already developed to ensure that all United Nations programming mainstream the objectives of full and productive employment and decent work;**

(f) **The United Nations system should strengthen ongoing collaboration with key partners within the framework of UNDAF processes, and in particular with ILO, to jointly implement integrated programmes to promote decent rural employment for food security, enhance rural women's economic empowerment, promote rural youth employment and prevent child labour in agriculture;**

(g) **The United Nations system should enhance the involvement of social partners in United Nations programming at the country level through the United Nations Resident Coordinator system;**

(h) **The United Nations system should support countries' efforts in building and expanding their social protection floors to build resilience and offset shifts in the labour market;**

(i) **Increased focus is needed on strengthening national statistical capacities to improve the collection, the compilation, the dissemination and the**

analysis of timely, reliable and comparable labour market information, including data disaggregated by sex, age, disability and location, and further developing indicators at the national level to measure progress in job creation and social protection coverage;

(j) Partnerships between the United Nations Secretariat, United Nations funds, programmes and agencies at the global, regional and country levels should be built and strengthened to harness the complementary expertise and experience of the United Nations system for the common goal of job creation and greater social security;

(k) Strategic partnerships with a broad range of development partners, including traditional donors, South-South and triangular cooperation providers, private companies and foundations, international and regional financial institutions, thematic funds and civil society, should be established and scaled up;

(l) Consideration should be given to the centrality of employment and social protection for broad-based human development within the context of the Millennium Development Goal Acceleration Framework and the post-2015 agenda;

(m) The Council should continue to act as a platform for discussing partnerships and their role in implementing the United Nations development agenda in all its dimensions, particularly at the Economic and Social Council coordination segment; such discussions should give strategic guidance in developing partnerships for key priority areas;

(n) A system-wide evaluation could be undertaken regarding the work of the United Nations in the area of employment and decent work, with a focus on bringing more insights concerning the relevance and effectiveness of current programming in this area.

United Nations E/2013/57

Economic and Social Council

Distr.: General
30 April 2013

Original: English

Substantive session of 2013
Geneva, 1-26 July 2013
Item 15 of the provisional agenda*
United Nations research and training institutes

United Nations System Staff College

Report of the Secretary-General

Summary

The present report has been prepared in compliance with General Assembly resolution 60/214, in which the Assembly decided that the biennial reports on the activities of the United Nations System Staff College should be submitted to the Economic and Social Council rather than to the Assembly.

The report shows the growth of the Staff College over the past two years in terms of outreach of its services, substantive course portfolio and self-sustainability.

With a total staff of less than 40 and in a global financial environment that poses many challenges, the Staff College undertook substantial work in 2011 and 2012. Encouraging results were achieved in all programmatic areas, with beneficiaries reaching almost 20,000 during the period under review.

The efforts of the Staff College during the reporting period reconfirm its firm commitment to serving as a centre of excellence for learning and knowledge management for the United Nations system in its entirety.

* E/2013/100.

13-31873 (E) 140513

Please recycle

I. Introduction

1. The present report has been prepared in compliance with General Assembly resolution 60/214, in which the Assembly reaffirmed the role of the United Nations System Staff College as an institution for system-wide knowledge management, training and continuous learning for the staff of the United Nations system, in particular in the areas of economic and social development, peace and security and internal management and decided that the biennial reports on the activities of the Staff College should be submitted to the Economic and Social Council rather than to the Assembly. The present report covers the two years that have elapsed since the previous report (E/2011/116).

2. The present report highlights progress made towards the Staff College's optimal goal of becoming a centre of excellence for the United Nations system's internal learning and training, while also providing concrete examples of its efforts to respond to the important invitation, made by the General Assembly in its resolution 60/214, to foster a cohesive management culture across the United Nations system, to strengthen further its engagement in knowledge-sharing and to support the realization of the internationally agreed development goals with the aim of helping to provide solutions to problems in the areas of development, peace and collective security and reinforcing system-wide coherence.

3. Over the years, the Staff College has made steady progress in terms of the number of United Nations staff participating in its programmes, the level and diversification of its overall funding, the thematic focus of its courses and, most importantly, the quality of its services. Since its modest beginnings as a project in 1996, with programmes targeting mainly United Nations staff in the field and with approximately 1,000 participants per year, the Staff College has evolved into a fully fledged provider of professional training for managers at all levels of the United Nations system, reaching over 9,000 beneficiaries in 2012 alone and focusing on substantive areas in support of the goals of the United Nations.

4. Section II of the present report provides an overview of the main learning and training activities undertaken by the Staff College during the period under review. Section III illustrates the Staff College's strategy to increase collaborative efforts within and outside the system, something which has helped it to achieve its goals and to expand its outreach. Section IV provides an overview of the Staff College's main achievements during the period under review in terms of the number of beneficiaries, and its training portfolio, resources and credibility within the United Nations system.

II. Overview of activities

5. Pursuant to General Assembly resolution 62/208, in which the Assembly requested the Secretary-General, through the United Nations System Chief Executives Board for Coordination, to continue and intensify efforts related to inter-agency staff mobility, re-profiling and redeployment of staff, as well as training and skills upgrading, notably at the United Nations System Staff College at Turin, Italy, the Staff College has continued to make every effort to deliver high-quality services at the inter-agency level.

6. Through the use of innovative methodologies in face-to-face and distance learning activities, the Staff College has been able to introduce more coherence and coordination in the many initiatives of the United Nations system, encouraging the multitude of United Nations organizations to operate in a more consistent manner. The inter-agency nature of the Staff College's services not only prevented a repetition of the training offered by individual agencies, funds and programmes, but also complemented and enriched the efforts of such entities.

7. For the purposes of the present report, training and learning activities carried out during the reporting period are presented in terms of the following five main thematic areas: (a) promoting effective leadership in the United Nations system; (b) reinforcing system-wide coherence; (c) advancing development and human rights and gender and cross-cultural training; (d) strengthening knowledge-sharing in the system; and (e) supporting the peace, security and staff safety efforts of the United Nations. All the Staff College activities presented are underpinned by their inter-agency nature and are intended to strengthen collaboration within the United Nations system, as envisaged in the statute of the College (resolution 55/278, annex).

A. Promoting effective leadership in the United Nations system

8. The High-level Panel on United Nations System-wide Coherence, in its report entitled "Delivering as one" (see A/61/583), recommended that: "The United Nations System Staff College should have the capacity to provide executive leadership training to senior United Nations managers. This would enable more effective management of change processes and contribute to a common management culture in the United Nations system."

9. Pursuant to this recommendation, the Staff College continued to place great value on executive leadership training as a basis for increasing the effectiveness, esprit de corps and dynamism of the Organization's staff at all levels. The Staff College is firmly committed to the concept that leadership development plays a key role in support of the United Nations goal of creating a truly global, dynamic and adaptable workforce. Therefore, it has expanded its portfolio of offerings in this area at headquarters, regional locations and the country level.

New leadership initiatives

10. During the period under review, the Staff College developed a new learning initiative for newly appointed and selected senior staff at the Under-Secretary-General and Assistant Secretary-General levels: the United Nations Leadership Exchange. This learning event offers a unique space in which to explore the strategic role of the United Nations and to align and refine collective and individual leadership potential for addressing global themes and issues. A distinctive feature of the Exchange is the presence of mentors, consisting of former high-ranking United Nations staff widely recognized for their outstanding professional track record and qualities. Mentors offered advice and shared their experiences and perspectives regarding issues faced by participants. Participants in the first Exchange, held in Turin, Italy, in November 2012, came from eight different entities across seven duty stations. They highly rated the Exchange, unanimously recommending that it become a mandatory learning event.

11. Leadership development was also offered to junior staff beginning their careers in the United Nations system. In 2012, the young professionals programme was redesigned to ensure that the course remains sustainable, up-to-date and focused. The scope of the Programme was narrowed to facilitate the building of skills, the addressing of practical challenges and the cultivating of a shared sense of purpose in working for the United Nations. A pilot edition of the newly designed course was offered in December 2012 in close collaboration with the Office of Human Resources Management of the Department of Management in New York. Discussions are currently under way with the Office to establish future collaboration on the programme.

12. In line with its objective of supporting the needs of the United Nations system, the Staff College successfully developed and delivered a series of new leadership initiatives for the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) tailored to its specific requirements and context. This included the facilitation of a global retreat for UN-Women that brought all the senior leaders of UN-Women together for the first time since its inception. In addition, two leadership development workshops for UN-Women representatives and senior managers were designed and delivered in 2012, with a focus on developing leadership and management skills in the context of the vision and management procedures of UN-Women.

Long-standing leadership offerings

13. The United Nations Leaders Programme, an acclaimed training course that aims to promote effective leadership at the director level, continues to be rated as one of the most effective and creative leadership development programmes ever developed and delivered at the United Nations. The aim of the Programme is to develop strategic leaders who think and act innovatively but work collectively to further advance the mandate of the Organization. During the period under review, the Programme provided top-level leadership training to over 120 directors from across the United Nations system. In 2012, the Programme was, for the first time, offered at the regional level, in Singapore, through a partnership established with the Lee Kwan Yew School of Public Policy of the National University of Singapore. Each edition of the Programme has a different thematic focus, around which senior participants are able to explore, test and acquire the specific leadership skills necessary for working in a United Nations environment. These include ethics and accountability, culture and development, global power shifts and leadership.

14. With a view to further increasing the capacity of top-level United Nations country team officials responsible for addressing development issues and coordinating the work of the various United Nations organizations in developing countries, the Staff College continued to offer its very popular United Nations country team leadership and coordination skills course. Designed for resident coordinators and agency field representatives, the course was attended by more than 180 senior United Nations staff worldwide. On average, each edition of the course included participants from over 10 United Nations entities across more than 20 duty stations. This training remains a mandatory component of the induction programme for newly appointed United Nations resident coordinators and continues to be highly recommended for strengthening the leadership capacity of United Nations country teams. The course addresses such issues as enhancing leadership, negotiation, coordination, management and communication. Particular attention is paid to

helping officials to gain the skills necessary to deal with sensitive cultural and political issues.

15. The Staff College continued to convene two high-level events designed specifically for the most senior management of the Organization, the Secretary-General's fifth senior management retreat, which provided a space for strategic planning and discussions among United Nations senior managers on the global challenges confronting the United Nations, and the "dialogue series", which is designed specifically for Deputy Special Representatives of the Secretary-General and selected headquarters staff. Both events promoted leadership though the sharing of good practices and lessons learned, drawing on experiences from both within and outside the United Nations system, and supported senior officials confronting complex issues.

16. The Staff College also continued to partner with the United Nations Institute for Training and Research in the delivery of the annual seminar for Special Representatives of the Secretary-General, another high-level event that encourages effective leadership through the sharing of experiences and lessons learned and provides a forum for tackling complex problems.

B. Reinforcing system-wide coherence

17. Supporting the efforts of the United Nations to increase the system's coherence and effectiveness is one of the key goals of the Staff College. The Staff College's activities in this area focused predominantly on supporting the harmonization of business practices, strengthening the capacity of United Nations country teams and monitoring and evaluation.

Supporting the harmonization of business practices

18. Responding to the numerous calls from Member States and the United Nations system for greater progress in the harmonization of business practices,[1] and building on the gains made by the Staff College in its support of the United Nations Development Group and the Plan of Action for the Harmonization of Business Practices in the United Nations System developed by the High-level Committee on Management of the United Nations System Chief Executives Board for Coordination (CEB/2008/HLCM/10), the Staff College refocused its training and learning packages during the period under review in order to further support the implementation of those recommendations at the country level. A particular focus was placed on building skills in the areas of change management, building the leadership and capacity of the United Nations country teams, ensuring accountability at all levels and achieving greater operational efficiency so as to deliver better programmatic results and efficiency gains.

19. To this end, an effort to further develop strong leadership at the United Nations country team level was initiated by modifying sessions of the United Nations country team leadership and coordination skills courses in order to integrate updates, latest guidelines, best practices, lessons learned, solutions to business challenges, toolkits and business models on common services and harmonized business practices.

[1] See General Assembly resolutions 59/250 and 63/311.

20. The Staff College also built up the capacity of operations management teams to ensure that programmes and operations are more interlinked by offering operations management skills training courses. Five such courses took place during the period under review, both at the regional level and in Turin. As a result, 226 senior staff from a range of different United Nations entities were trained.

21. With a view to further supporting the harmonization of business practices in a cost-effective manner, training-of-trainers workshops for operations managers were also organized, providing tools and learning methodologies related to the dissemination of advanced business operations and International Public Sector Accounting Standards.

22. A business operations community of practice comprising 282 members was launched to provide a forum for knowledge exchange, to capture good business practices and to analyse success factors and lessons learned among countries.

23. The Staff College, the United Nations Development Group and the High-level Committee on Management also successfully combined efforts to create a platform in support of the United Nations Development Group expert roster, which facilitates internal collaboration and knowledge transfer in support of harmonization and simplification efforts. In support of this initiative, a specific training-of-trainers course was delivered in 2012.

Strengthening the capacity of United Nations country teams

24. In collaboration with the United Nations Development Operations Coordination Office, the Staff College provided learning and facilitation support to United Nations country teams in their efforts to develop the United Nations Development Assistance Framework. Under the guidance package endorsed by the United Nations Development Group, strategic planning is a key step for enhancing strategic thinking and priority-setting by the United Nations country teams, combined with a deeper level of stakeholder engagement. Typically, this support took the form of strategic planning retreats, through which United Nations country teams and their partners were able to review and validate major national development challenges, to discuss the comparative advantages of the United Nations system and to identify the key priorities for United Nations intervention. These retreats also led to the initial development of the United Nations Development Assistance Framework results matrix, with a clear definition of outcome- and output-level interventions that address national priorities. During the period under review, the Staff College organized and delivered 18 such retreats for United Nations country teams worldwide. The retreats were attended by more than 600 participants.

25. The Staff College also provided multifaceted support to United Nations country teams and peace operations so as to enable them to conduct and make use of conflict analysis as a basis for planning and programming processes such as the United Nations Development Assistance Framework, strategic assessment, the integrated strategic framework, post-conflict needs assessment and the peacebuilding priority plan. Conflict analysis, as part of the United Nations Development Assistance Framework preparation phase, assists in the mainstreaming of conflict prevention and the selection of priorities that can have a long-term stabilizing impact and create a common vision for missions and United Nations agencies with regard to peace consolidation.

26. In 2012, the Staff College designed and delivered a new product for advancing United Nations coherence and strengthening the quality of programming at the country level entitled "UN STEP: Skills and Tools for Effective Programming". Through the first two workshops, which received highly positive evaluations, participants received training in United Nations programming tools and their practical application and in innovative ways and approaches to support the planning and implementation of United Nations development strategies and frameworks and improved a number of essential skills required to effectively support the work of United Nations country teams.

Monitoring and evaluation

27. Another key area for increasing the coherence and harmonization of the United Nations system is the monitoring and evaluation of strategic objectives to ensure the relevance and effectiveness of targeted interventions. The Staff College continued to deliver its evaluation and impact assessment courses, designed in collaboration with the ROI Institute, providing United Nations staff with an overview of evaluation practices in the United Nations context and exposing them to the Institute's evaluation methodology. The aim of the course is to equip staff with a strong monitoring and evaluation methodology in order to be able to measure the impact (and overall return on investment) of learning and training programmes in a coherent manner across the system. The College will offer the course online in 2013 so as to expand its outreach.

28. Within this area of activities, the Staff College also organized a series of workshops entitled "Measurement for effective results-based management" at the country level, with a view to enhancing staff competencies in designing, monitoring and evaluating projects and programmes. More than 140 staff received this training during the period under review. The Staff College intends to offer an online edition of this course in 2013.

Other initiatives in support of United Nations coherence

29. In addition to the above-mentioned areas of intervention, the Staff College introduced other learning and training activities aimed at fostering the coherence of the system. For example, it designed and delivered a United Nations unified rule of law training course that aims to enable staff to better apply the system-wide rule of law approach to key substantive areas. A course on how the United Nations could provide systematic policy advice was given in Turin, then tailored to meet the specific context of middle-income countries and offered in Hanoi. The course was designed to address public policy at its various stages, from design and implementation to monitoring and evaluation.

C. Advancing development and human rights, and gender and cross-cultural training

30. During the period under review, the Staff College expanded and reviewed its substantive and thematic offerings aimed at further supporting the United Nations global agenda. To this end, it introduced two new thematic areas of training in the fields of development and human rights, and gender and cross-cultural training.

Development and human rights

31. Understanding that development and human rights are interrelated, interdependent and indivisible, the Staff College supported United Nations staff and their programming counterparts in building individual, institutional and societal capacity for development and human rights. Knowledge management tools and course offerings were developed to assist the system in this important mission.

32. The capacity of United Nations staff to effectively apply a human rights-based approach and results-based management tools to their work was the subject of a number of workshops that were conducted during the period under review and which reached 270 participants. The workshops made use of case studies and exercises drawn directly from United Nations experiences in different countries, thereby helping United Nations programme staff to advance their skills in effectively applying a human rights-based approach and results-based management tools and principles to their daily work, especially in the context of the United Nations common country programming process.

33. Other initiatives were undertaken in the field of environmental sustainability, with two workshops delivered at the country level with a view to providing integrated, coordinated and systematic support on how to apply the United Nations Development Group Guidance Notes on environmental sustainability, disaster risk reduction and climate change.

34. In August 2012, the Staff College launched the first United Nations Summer Academy, an annual event specifically targeting development practitioners and experts. The theme for 2012 was "A new global development partnership". The event provided an executive space for intellectual and practical knowledge-sharing among development practitioners from 26 countries, representing a diverse group of representatives from United Nations agencies, national Governments, civil society and the private sector.

35. Partnering with the United Nations Office for Partnerships, the United Nations Foundation, the Special Unit for South-South Cooperation and the United Nations Development Programme (UNDP)/Bureau of External Relations and Advocacy, a course entitled "Building partnerships for development effectiveness" was also launched in 2012. The course reflected the specific peculiarities of working in the context of a rapidly evolving development cooperation environment and interacting with new, emerging and non-traditional partners. It also reflected on the outcome of the fourth High-level Forum on Aid Effectiveness, held in Busan, Republic of Korea, in 2011.

Gender and cross-cultural training

36. In the area of cross-cultural training and in partnership with the United Nations Population Fund (UNFPA), Joint United Nations Programme on HIV/AIDS (UNAIDS) and UNDP, the Staff College delivered a programme entitled "Strategic learning exchange on faith and development", which brought together representatives from different United Nations entities to reflect on the interaction between faith and development with representatives of faith-based organizations. By sharing actual experiences and lessons learned from partnerships between the United Nations and faith-based communities, the nexus between faith and development were outlined and debated.

37. With a view to fostering gender mainstreaming, a comprehensive agreement was signed by the Staff College and UN-Women. Through this partnership, the staff college has agreed to deliver a series of events and tools catering specifically to the needs of UN-Women. These include UN-Women leadership retreats, customized "Measurements for effective results-based management" workshops and leadership programmes, gender and data analysis workshops, training-of-trainers courses for UN-Women gender experts and a web platform designed to engage expert support. In 2011, the Staff College also facilitated four regional strategic planning workshops for UN-Women, training more than 140 participants.

D. Strengthening knowledge-sharing in the system

38. In an effort to address the need for a better understanding of the concept of knowledge management and knowledge-sharing and to foster a culture of networking across the United Nations system (see E/AC.51/2006/2), the Staff College continued to place great emphasis on developing and offering learning tools that can benefit a large number of staff worldwide so as to effectively contribute to the United Nations reform process.

39. The knowledge management cycle, through which knowledge is generated, codified, shared and applied, lies at the core of the Staff College's operations. In applying this pedagogical underpinning to its offers, a variety of techniques and tools are used, including case study methodology, peer-to-peer exchange, establishing consultative and reference groups for some of the Staff College offerings, in order to integrate the knowledge and experience of experts and United Nations staff into their design and delivery, facilitating knowledge exchange and inter-agency collaboration, particularly through inter-agency networks, establishing communities of practice and advisory services, and disseminating knowledge resources, such as training material and tools.

Knowledge products

40. A number of specific knowledge products were also developed with key partners during the period under review. A European Union-United Nations online course was developed with the Inter-agency Framework for Coordination on Preventive Action. The course, entitled "Strengthening capacities for the sustainable management of land and natural resources in conflict-affected and fragile States", aims to build capacity for identifying the links between natural resource challenges and conflict. The United Nations Children's Fund conflict sensitivity and peacebuilding training pack was also created, becoming part of the Fund's global programme on education and peacebuilding.

41. The Staff College also supported United Nations organizations in creating web-based knowledge and learning tools. The main results in this area included the United Nations Development Group expert roster platform, a platform for UN-Women to identify, screen, manage and deploy external expertise in support of gender issues and the advancement of women, and an e-learning course on capacity development tailor-made for the Latin American and Caribbean region in partnership with UNFPA.

E-learning and distance learning

42. The Staff College's portfolio of regular e-learning courses notably increased, from 2 in 2011 to 10 in 2012. The courses addressed a variety of topics, ranging from management and communication skills to instructional design and conflict analysis for prevention and peacebuilding. During 2012, the Staff College provided various webinars and hosted online discussions on a variety of topics that were free of charge and open to United Nations staff.

43. The Staff College website and learning platform capabilities were improved to facilitate staff access to knowledge through "knowledge repositories". A process is under way to better deploy and manage e-learning and blended learning activities, for example through virtual classrooms and mobile learning.

Knowledge-sharing events

44. The Staff College promotes the effective use of knowledge management in increasing the organizational efficiency of the United Nations system. This is central to boosting innovation, sharing lessons and good practices from across the system and building internal synergies in order to enhance performance as well as the delivery of services and results. Two Staff College events focus specifically on this area: the annual Learning Managers Forum, which enables key players in the United Nations learning and training community to share competencies, good practices and experiences in learning on a system-wide basis, and a customized edition of the course entitled "Think UN, act smart: leveraging experience and good practice", which offers a hands-on and pragmatic approach for staff at global and regional headquarters locations to apply knowledge management tools and techniques in the United Nations context. Both courses have been running successfully for a number of years and continue to receive positive evaluations.

E. Supporting the peace, security and staff safety efforts of the United Nations

45. During the period under review, the Staff College continued to respond to the calls from the United Nations system in the areas of staff safety training, conflict analysis and prevention, and peacebuilding by enhancing its offerings.

46. The Staff College is addressing the increasing demand for safety and security training for United Nations and associated personnel exposed to security risks in their operations in conflict-affected areas, as emphasized by the General Assembly in its resolution 65/132. The College's Safe and Secure Approaches in Field Environments (SSAFE) programme, developed in collaboration with the Department of Safety and Security, consists of core modules on such topics as radio communications, personal security, mine awareness, travel, convoy and vehicle security, the United Nations security management system, cultural awareness, incident management, stress management, hostage survival and basic first aid. The training materials can be customized to meet country-specific security and safety needs. The delivery of training in the field is ensured through a pool of College-certified trainers who have taken part in the College's training-of-trainers workshops. This produces an ideal multiplier effect that maximizes the outreach of the programme, with approximately 6,000 staff receiving College-certified SSAFE training during the period under review.

47. In the area of conflict prevention, the Staff College continued to deliver courses on such key issues as the relationship between natural resources and conflict and understanding how decentralized governance can best be viewed as a governance system for conflict prevention and peacebuilding efforts in volatile and post-conflict contexts.

48. Conflict analysis — a key aspect of conflict prevention and peacebuilding work — provides objective criteria for the setting of priorities and contributes to the evaluation of the impact of preventive and peace consolidation programmes. At the same time, it forms the basis for any peacemaking intervention, since solid conflict assessments help peace mediators to better address the needs and interests of the diverse range of stakeholders involved in a conflict. In this area, the Staff College offers a course entitled "Conflict analysis for prevention and peacebuilding" to strengthen the capacity of United Nations officials in the area of conflict analysis for both preventive and peacebuilding purposes. The course provides practical skills for the use of conflict analysis in contexts of deteriorating human security, armed conflict, political crisis and other threats to peace.

III. Strengthening inter-agency collaboration and partnership efforts

49. The growing number of United Nations entities seeking collaborative ventures with the Staff College, despite training budget cuts as a result of the global financial crisis, is testament to the recognition of the College as a centre of excellence for training and learning and a trusted partner.

50. A number of new collaborations were developed during the reporting period. Key initiatives include the collaboration with the United Nations Office for Partnerships, the United Nations Foundation, the Special Unit for South-South Cooperation and the UNDP Bureau of External Relations and Advocacy on the course entitled "Building partnerships for development effectiveness" and the training-of-trainers course on a human rights-based approach and HIV programming with UNAIDS and the Office of the United Nations High Commissioner for Human Rights. The Staff College also cooperated with the Department of Economic and Social Affairs to undertake an analytical study on the relevance, effectiveness and efficiency of the United Nations Development Assistance Framework process. This study was part of the analytical preparations for the General Assembly's quadrennial comprehensive policy review of operational activities for development of the United Nations system in 2012.

51. New and significant partnerships were forged with institutions in the South. For example, the partnership established with the Lee Kwan Yew School of Public Policy of the National University of Singapore resulted in a memorandum of understanding in which the school and the college agreed to jointly offer a regional edition of the United Nations Leaders Programme in Singapore on the topic "Global power shifts". In addition, a partnership with Koç University in Istanbul, Turkey, was established with a view to designing a new course entitled "The role of the United Nations in middle-income countries". Discussions with the Qatar Foundation were also initiated in 2012. As a result, potential collaborative ventures are expected to be developed in 2013.

52. Furthermore, the relevance of and confidence in the Staff College's offerings was demonstrated by the willingness of former and current senior United Nations staff to be affiliated with and to contribute to its programmes and content development.

53. The renewal of long-standing partnerships also highlights the significance of the Staff College to United Nations organizations. For example, the United Nations Development Operations Coordination Office remains a key partner of the college in its work to support United Nations country teams in implementing reform processes, in particular by supporting resident coordinators and country team members and their staff to plan and deliver more strategic and coordinated country programmes in support of national priorities. Another example is the agreement with the High-level Committee on Management to design and deliver knowledge and skills training and planning workshops aimed at building the capacity of the operations management teams.

54. With a view to remaining relevant and substantively attractive, the Staff College continued to nurture collaboration with world-renowned learning institutions, which enriched its programmes by providing faculty and support in the design and delivery of its courses. This collaboration guaranteed that Staff College courses were relevant to the realities and challenges facing United Nations staff in today's world, while introducing new and innovative thinking combined with academic rigour. In 2012, collaborative ventures were undertaken with such institutions as the Institut européen d'administration des affaires, the Centre for Leadership Studies of the University of Exeter, Harvard University's John F. Kennedy School of Government, the George Washington University, ETH Zurich, the Université Libre de Bruxelles, the University Institute of Lisbon, the University of Manchester, the University of Cambridge, the Nordic Africa Institute, the University of Notre Dame and the Franklin and Marshall College.

55. In addition to traditional donor funding, the Staff College continues to enjoy a fruitful collaboration with local (Turin-based) entities such as the Compagnia di San Paolo Foundation, the Regional Government of Piedmont, the City of Turin and the Italian military. Each of these entities, through financial or in-kind contributions, has significantly assisted in facilitating the work of the Staff College in its course offerings.

IV. Main accomplishments

56. With a total staff of less than 40 and in a global financial environment that poses many challenges, the Staff College undertook substantial work in 2011 and 2012. Encouraging results were achieved in all programmatic areas, with beneficiaries reaching almost 20,000 during the period under review.

57. The Staff College's portfolio of substantive and thematic offerings grew more than twofold since the previous reporting period. In 2010, the College offered 16 different types of learning products, whereas in 2012 it offered 43 types of learning and training events. Its e-learning portfolio also grew, from 90 participants in two e-courses in 2011 to 259 participants in 10 e-courses in 2012.

58. In terms of financial resources, the Staff College continued to pursue a strategy of becoming more self-sufficient and lessening its donor dependency. In 2012,

income generated by its own course fees and contracts accounted for 74 per cent of its total income, representing a 4 per cent increase compared to the previous reporting period, while income from donors (Italy, Germany and Sweden) accounted for 16 per cent, the United Nations system's core contribution 7 per cent and contributions by local foundations 3 per cent.

59. The trust placed in the Staff College's activities by the United Nations system has witnessed unprecedented growth owing to a constant improvement in both the quality of its services and its own internal management structure. The Staff College today is a key ally of inter-agency policymaking bodies such as the United Nations System Chief Executives Board for Coordination, as well as its High-level Committee on Programmes and High-level Committee on Management. The Staff College works to support the inter-agency efforts of such bodies through the implementation of learning and training in key areas of reform.

60. In the light of the current efforts to strengthen United Nations system-wide coherence, to increase the system's effectiveness, to improve staff capacity in key areas and to build effective leadership skills for the United Nations of the twenty-first century, the Staff College is well placed to play an even greater role in inter-agency learning, training and knowledge-sharing.

United Nations E/2013/58

Economic and Social Council

Distr.: General
3 May 2013

Original: English

Substantive session of 2013
Geneva, 1-26 July 2013
Item 2 (b) of the provisional agenda*
High-level segment: annual ministerial review

Letter dated 30 April 2013 from the Permanent Representative of Peru to the United Nations addressed to the President of the Economic and Social Council

Attached herewith is the national report of Peru on progress towards the achievement of the internationally agreed goals, including the Millennium Development Goals, for the annual ministerial review to be held during the high-level segment of the substantive session of 2013 of the Economic and Social Council (see annex).

I should be grateful if you would circulate the present letter and its annex as a document of the Council, under item 2 (b) of the provisional agenda.

(*Signed*) Enrique Roman **Morey**
Ambassador
Permanent Representative

* E/2013/100.

13-32209 (E) 170513 280513

Please recycle

Annex to the letter dated 30 April 2013 from the Permanent Representative of Peru to the United Nations addressed to the President of the Economic and Social Council

[Original: Spanish]

National report for the national voluntary presentation of Peru to the Economic and Social Council

Summary

Until July 2011, science, technology and innovation (STI) was not a priority for the Government of Peru, despite the fact that the National Accord approved in 2002 already recognized the "development of science and technology" as State policy.

The gross domestic product (GDP) of Peru has tripled in the past decade and growth last year was more than 6 per cent. Similarly, the country has sustained one of the lowest levels of inflation in the region and has improved its level of competitiveness in the main international rankings. The solidity of its macroeconomic accounts, as well as the handling of foreign investments in the country, have been reflected in the investment grades obtained from the main international credit ratings agencies and in the recognition that the Peruvian economy has the second lowest sovereign risk in the region.

However, Peru still suffers from low productivity, poor levels of education, technological readiness and advanced human resources training, as well as scant promotion of science, technology and innovation and limited participation by firms in value chains, all of which compromises its competitiveness in international markets.

While continuing with efficient macroeconomic management, the Government of Peru is firmly resolved that the country should make progress with regard to science, technology and innovation, which are now configured as the strategic baseline for the sustainability of national growth, for economic diversification and for the distribution of that growth, a process known as social inclusion.

In order to be able to strengthen and add value to production chains, the Government is prioritizing the training and mobilization of human resources, especially in science, technology and innovation, so that Peru becomes a country with talent and not only natural resources. In that context, Peru is strengthening its institutions in the area of science, technology and innovation, and also intellectual property. In that vein, it is encouraging investment in science, technology and innovation, and has launched the Programme of Innovation for Competitiveness (the second phase of its Financing for Innovation, Science and Technology programme (FINCyT 2)), and created the Framework Fund for Innovation and Technology (FOMITEC), with resources of up to US$ 100 million and 300 million nuevos soles respectively, among other actions, with the aim of increasing the supply of technological services, forming a critical mass of researchers, promoting technology-based firms and stimulating innovative projects.

Such dynamic economic growth has undoubtedly been accompanied by a significant reduction in levels of poverty and inequality, chronic child malnutrition, maternal mortality and neonatal mortality, among other human development indicators, which has enabled Peru to meet some of the Millennium Development Goals (MDGs) ahead of the target date. In the past eight years, Peru has managed to bring more than 7 million Peruvian men and women out of poverty, constituting approximately one quarter of the current population, and is focusing strongly on a food and nutrition security strategy.

Peru is a country firmly committed to the protection of the environment, in accordance with the principle of common but differentiated responsibilities, and in order to ensure its sustainability for future generations. In that connection, it is promoting the transfer of technologies that help to mitigate the adverse effects of climate change and contribute to sustainable development. It is a priority for the Government of Peru to achieve the sustainable and responsible development of the country's natural resources.

I. Introduction

1. In the past few years the Peruvian economy has experienced unprecedented growth. Between 2000 and 2012, GDP increased at an average annual rate of 5.8 per cent and GDP per capita increased by 70.1 per cent. During the period 2000-2012, exports increased at an average annual rate of 17.0 per cent, accounting for 25.5 per cent of GDP by 2012, and the stock of foreign investment rose from US$ 12,306 million in 2000 to US$ 22,674 million in 2012. An appreciable reduction in the levels of overall poverty was also observed, from 54.1 per cent in 2000 to 27.8 per cent in 2011. In this context, Peru is on track to achieve the MDGs even before the 2015 target date established by the Member States at the Millennium Summit of the United Nations, held in 2000.

2. The results of the unprecedented growth in exports, particularly of mining products, as well as the major contribution made by construction and services to domestic consumption, have constituted an important driving force for the Peruvian economy. In addition, the promotion and diversification of exports, the opening up of new markets and the consolidation of the domestic market have been very important factors for the growth of the Peruvian economy over the past decade.

3. However, in order for economic growth to be sustained over the medium and long term, and for improvements in the quality of life of the population to continue and extend to all socioeconomic levels, international experience shows the key importance of migration towards a knowledge economy based on innovation, which maximizes and empowers the country's industrial model, and makes the business sector more competitive in general terms. Thus, the capacity of the Peruvian economy to generate, absorb, disseminate and utilize scientific and technological knowledge in its productive sectors is being prioritized.

4. Capacity-building for the development and harnessing of science, technology and innovation, for the benefit of the production model and society as a whole, depends not only on a series of scientific entities, a larger budget allocation to research, or a national science, technology and innovation plan. The links between and effectiveness of these tools depend on the degree of development of various subsystems (political, scientific, productive and financial) and the capacity of such subsystems to interconnect and work together, so as to produce, distribute and use scientific and technical knowledge, create synergies, and promote competition within a stable macroeconomic framework and a legal, institutional and even cultural environment that allow the development of innovative activity. Peru has fallen back in terms of innovation, ranking 117th out of 144 countries in the innovation pillar.

5. For the World Economic Forum (WEF), competitiveness is defined as the set of institutional and policy factors that determine a country's level of productivity, and it is estimated based on 12 pillars. Peru currently ranks 61st for global competitiveness and 94th for innovation and sophistication factors.

6. For this reason, one of the pending tasks for Peru is to promote innovation, science and technology in the key sectors that have shown themselves to be dynamic and of high impact.

7. The effectiveness of the national innovation system, defined as a set of actors, institutions and framework conditions, depends on the individual development

trajectories and the accumulation of knowledge and skills available to agents of the system. Although innovative activity essentially takes place at the company level, while the generation of knowledge lies, generally speaking, within the remit of scientific entities, public science, technology and innovation policies exercise great influence on the development of both types of activity, through the development of human capacities and the creation and maintenance of a favourable environment. Innovation is therefore a public good.

8. Among the main actions identified for improvement, increased investment in and financing of science, technology and innovation is particularly important. The level of public and private investment in research and development in Peru, of less than 0.2 per cent, is "meagre" in comparison with other countries in the region. In addition, the critical mass of researchers in public research institutions and universities is low.

9. The research and development infrastructure is incomplete, while research and accreditation mechanisms are in some cases obsolete and inadequate.

10. Despite having achieved high rates of literacy and school enrolment, the education system still does not perform consistently well in directing pupils towards careers in science and technology that contribute to the growth of value added in firms. Interactions between the private sector, academia and public institutions are still limited.

Characteristics of the growth of the Peruvian economy

11. An indication of the degree of technological development of a country, and its pattern of international trade, may be obtained by looking at its exports in terms of technological content or knowledge. The growth of the past decade has not transformed the country's productive structure into a more knowledge-based economy. In 2011, the composition and degree of concentration of exports was the same as in the 1960s. In 2011, traditional exports represented 86 per cent of total exports, and this ratio has been unchanged throughout the past 15 years. Exports of intermediate and high-technology-intensive manufactured goods scarcely reach 4 per cent of total goods exports and the 10 main Peruvian export products account for more than 60 per cent of total exports, as well as being of limited technological content.

12. The growth and opening up of the Peruvian economy have made it particularly attractive to foreign direct investment (FDI) which has occurred in at least two phases: at the beginning of the 1990s, when privatizations of State-owned companies took place; and at the end of that decade, which brought new investments in mining, gas, communications and agro-industry. During the past few years, Peru has obtained "investment grade" ratings for its public debt from the three main credit rating agencies, a factor which makes FDI even more attractive. However, said FDI has not had major repercussions for the development of science, technology and innovation in the country. Foreign firms imported capital goods and knowledge-intensive services, and there has been no significant correlation with the development of production chains.

13. The Peruvian sectoral structure corresponds to that of an intermediate developing country, with primary sectors accounting for 16.6 per cent of GDP, a

small secondary (industrial) sector (13 per cent of GDP), and a fairly large services sector (62.8 per cent).

14. Peru has a polarized enterprise structure. There is a core of formal large and medium-sized enterprises, which make a significant contribution to GDP and have greater capacities and resources for innovation, but which represent less than 3 per cent of the total number of companies. Meanwhile, the large majority of businesses are small, and often informal, making a contribution that is significant with regard to employment but limited as far as GDP is concerned, with low productivity and greater difficulties in terms of innovation and development.

15. One way of viewing and analysing countries' production structure is to focus on the size of their businesses or economic units.

Situation of science, technology and innovation, and the relationship with national competitiveness

16. Until July 2011, policies for the promotion of science, technology and innovation were not given the necessary priority.

17. Developed countries invest between 2 and 4 per cent of their GDP in research and development (United Nations Educational, Scientific and Cultural Organization Institute for Statistics, 2009). Investment by Peru in research and development is, as has been stated, still conservative in comparison with other countries in the region that have increased their total expenditure. According to data from the Regional Network on Science and Technology Indicators (RICYT), during 2004 investment under this heading in Peru stood at scarcely 0.14 per cent of GDP, below the Latin American average, which in the same year was 0.5 per cent. The countries of the Organisation for Economic Co-operation and Development (OECD) invested 2.2 per cent of their GDP in research and development during that period. According to the same source, in 2004 research and development expenditure in Peru was carried out by higher education institutions (38.1 per cent), the business sector (29.1 per cent), the Government (25.6 per cent), and private non-profit organizations (7.1 per cent). This is indicative of an absence of links between institutions, as well as between industry and academia. Worldwide, and also across the region, it is the business sector that spends most on research and development.

18. The above figures are related to the number of researchers hired by sector in 2004. The Government and academia are the sectors that hired most researchers: 45.8 per cent and 40.2 per cent respectively. The business sector hired barely 13.8 per cent of researchers, contrary to the global and regional trend.

19. In 2012, the first National Survey of Innovation in the Manufacturing Industry was conducted. The survey, led by the Ministry of Production and the National Institute of Statistics and Information Technology, with the support of the Inter-American Development Bank (IDB), shows that 65.5 per cent of firms in the country carry out innovation activities, while 34.5 per cent do not. A total of 23.7 per cent of innovations target the national market. The bigger the company, the greater its propensity to innovate: 81 per cent for large companies, 70 per cent for medium-sized enterprises and 63 per cent for small firms. The results indicate that firms begin their innovative activity in the fourth year and the main motivation for innovation is the market, i.e. the need to increase sales. The factors that encourage companies to put innovation activities into practice are: detection of completely or

partially unsatisfied market demand (51.5 per cent), threat of competition (49.0 per cent), and utilization of an idea generated within the firm (32.3 per cent). The firms that innovate the most are those that have connections with a larger number of actors. However, the survey reveals that investment in research and development stands at 0.1 per cent of total sales of the firms surveyed, which shows a correlation with the research and development investment figures as a percentage of GDP. For reference, firms in OECD countries invest, on average, 1.89 per cent of total sales in research and development. Firms state that they find it very difficult to innovate and, although they believe it is important, they do not yet consider it a priority. The survey shows that the main problems for innovation include its high cost (32.6 per cent), the shortage of qualified staff (31.8 per cent) and the market's dominance by established firms (24.0 per cent).

20. Other indicators in the area of science, technology and innovation are scientific publications and patents. Such indicators are easier to gather but do not provide an overview of business innovation, which is perhaps most important in terms of the country's productivity and competitiveness.

21. There are growing pockets of knowledge generation in the scientific publications of some universities and research institutes, where greater interest is beginning to be shown in the protection of intellectual property as a tool for innovation. Despite these improvements, the figures for research and development investment and human resources available for science, technology and innovation activities show that the system is highly fragmented and there are still very wide gaps with regard to the country's competitiveness.

22. International evidence suggests that Peru must enter the "new knowledge economy" and, for that purpose, it is necessary to identify which sectors are the most favourable in terms of its competitive advantages and to devise the most appropriate strategies for breaking into such sectors in the most beneficial conditions possible.

23. It is against that backdrop that the country is set to implement policies and strategies allowing the development of science, technology and innovation, and technology transfer, as tools for sustainable economic and social development.

24. In the area of public policies, efforts of various kinds are being made, producing successful results in some cases and also yielding important lessons learned.

25. Many of these actions are based on recommendations contained in studies by the Economic Commission for Latin America and the Caribbean (ECLAC) (2009), the United Nations Conference on Trade and Development (UNCTAD) (2011), OECD (2011) and others, which demonstrate that, in order to ensure sustained long-term growth with convergence towards the income levels of richer OECD countries, resources must be allocated to innovation and technology transfer, which should be considered as a public good.

26. The Science, Technology and Innovation Policy Review of Peru, published by UNCTAD with the support of ECLAC, indicates, among its recommendations, that Peru should design a mix of STI policies and programmes which, combined with economic policy, will strengthen general STI capacities in Peru in a selected number of strategic sectors and technologies.

27. Some relatively experienced Peruvian companies have managed to prosper in the information and communications technologies (ICT) sector, performing well even at the international level. Furthermore, the application of biotechnology has a direct impact on many core activities in Peru (e.g., the agricultural, livestock, fish farming, forestry, mining, food and pharmaceutical sectors). Given that Peru is one of the world's most biodiverse countries, the development of biotechnology offers comparative advantages. Its successful development depends in part on the country's capacity to implement policies for the conservation and sustainable use of its biodiversity, and also requires expertise in many other aspects of the research, production, marketing and logistics chain.

28. Nanotechnology, applied to materials science, water decontamination and other areas, also represents an opportunity for Peru, requiring the development of teams with a greater critical mass of researchers. These three areas of knowledge were highlighted in the UNCTAD study.

29. The OECD, for its part, in the 2011 OECD Reviews of Innovation Policy: Peru, recommended "a coordinated policy design with a distributed landscape of implementation agencies".

30. It also proposed strengthening the governance of public research institutes (PRIs) (such as the Production Technology Institute) to ensure that "they fulfil their core missions of research, technological development and diffusion efficiently" and develop managerial capacities. Furthermore, it recommended considering the possibility of streamlining the PRI system through the merger of some institutes and promoting multidisciplinary projects, among other proposals. It recognized the role of intermediary institutions and proposed a significant expansion of technological innovation centres (CITEs) in terms of sectoral coverage and strengthened science and technology capacity in applied research.

31. The 2012 study "Diagnóstico del desempeño y necesidades de los institutos públicos de investigación y desarrollo (IPI) del Perú" (Diagnosis of performance and needs of research and development public institutions in Peru), produced through the Finnish company Advansis, within the framework of an IDB programme with the Ministry of Economy and Finance, states that the Peruvian system has a particular weakness in industrial research, although it considers that there is good sectoral and geographical coverage for the transfer of technology to industry through the technological innovation centres (CITEs). It also points out that in the fish and shellfish industry for direct human consumption, the Production Technology Institute plays a similar role to that of the CITEs, providing technology transfer and food processing (it also has its own production capacity).

32. Lastly, the 2012 assessment of the CITEs model financed by IDB found that the Ministry of Production's CITEs programme is generating positive results but faces challenges relating to its scale and relevance. It recommended establishing clearly what capacity exists to develop a range of services, through institutional reform, and to influence business competitiveness with an offering geared towards services for the transfer and dissemination of productive skills, technologies and know-how. The study highlighted the fact that technology extension programmes produce public goods that facilitate the modernization and technological updating of companies in view of information asymmetries (valuation of returns), the appropriateness of results, and economies of scale and scope (generation of information). The study states that the work of the CITEs would be more efficient if

it was carried out by specialized technical bodies with a public policy mandate from the ministerial authority.

II. Plans and policies

33. It is in this context that the lines of action for developing science, technology and innovation as key tools for the sustainable development of the Peruvian economy are being established. The 2002 National Accord took account of all State policies formulated and adopted on the basis of dialogue and consensus, following a national consultation process, to set a direction for the country's sustainable development and affirm its democratic governance. State Policy No. 20 of the National Accord: "Development of science and technology", provides as follows: "We undertake to strengthen the country's capacity to generate and use scientific and technological knowledge, to develop human resources, and to improve the management of natural resources and the competitiveness of companies". "To this end, the State will: (a) allocate greater resources, apply tax regulations and develop other funding modalities for the development of human capacity, scientific research, improvement of research infrastructure and technological innovation; (b) establish mechanisms to raise the level of scientific research and technological development of universities, research institutes and companies; (c) seek to develop highly qualified human resources in the productive sectors that are most promising for the national economy; (d) develop national and regional programmes with a productive, social and environmental impact; and promote throughout the population, particularly among youth and children, creativity, the experimental method, critical and logical reasoning, and respect for nature and society, through the media".

34. State Policy No. 20 aims to strengthen the country's capacity in the strategic field of science, technology and innovation in order to develop human resources, as well as improve the management of natural resources and make firms more competitive.

35. The road map established by the Government of President Ollanta Humala is aligned with the National Accord in this regard, and indicates clearly the path that will be taken to support the national strategies emphasized by the Peruvian State for the period until 2016. That document establishes the following priorities:

(a) "Organize and expand technical assistance, market information, technological innovation, production infrastructure and facilities for business organization";

(b) "Promote the creation of value and production chains exploiting the country's competitive advantages";

(c) Produce an "educational revolution that emphasizes quality and the development of science, technology and innovation";

(d) Promote "scholarships for postgraduate studies in countries with more advanced education standards, ... studies in applied sciences and capacity-building in technology".

36. The main elements of the road map and the National Accord incorporate the goals and strategic objectives of three of the main levels of government associated with promoting the country's economic sustainability: the Ministry of Production,

the National Competitiveness Council of the Ministry of Economy and Finance, and the National Council for Science, Technology and Technological Innovation (CONCYTEC).

37. The 2012-2016 Multiannual Strategic Programme of the Ministry of Production (PESEM) establishes the promotion of productivity and value added as its first pillar. Its first objective is to consolidate a decentralized, diversified, inclusive and environmentally sustainable production structure, with increasing productivity and value added. Policy 1 of that objective is to "promote innovation and technology transfer", to which end the following strategies will be implemented:

(a) Foster a strengthened national innovation system, encouraging the active participation of regional and local actors;

(b) Strengthen and promote the development, coordination, expansion and evaluation of local and regional providers of innovation and technology transfer services;

(c) Develop and promote mechanisms for financing innovation, technology transfer and entrepreneurship;

(d) Foster the use of ICT;

(e) Promote the dissemination of knowledge on matters relating to intellectual property, such as those associated with inventions and new technologies.

38. Science, technology and innovation constitutes the first area of action set out in the Competitiveness Agenda 2012-2013 prepared by the National Competitiveness Council of the Ministry of Economy and Finance. The goals associated with this area are as follows:

(a) Goal 1: ensure that a strengthened science, technology and innovation system is in place;

(b) Goal 2: ensure the availability of resources for science, technology and innovation institutions and public programmes that help to strengthen the system and ensure its sustainability;

(c) Goal 3: design and begin implementation of a system of scholarships (both national and foreign), aligned with the science, technology and innovation system;

(d) Goal 4: increase the critical mass of researchers by 20 per cent, in five areas prioritized by the National Plan for Science, Technology and Innovation 2009-2013;

(e) Goal 5: propose institutional and operating reform of the technological innovation centres (CITEs);

(f) Goal 6: expand the portfolio of services offered by the three types of CITE (public, private and other similar centres);

(g) Goal 7: ensure the existence of a support mechanism for agents of the system on intellectual property matters;

(h) Goal 8: support 20 innovative projects at the point of commercial launch that originated in the science, technology and innovation system.

39. Furthermore, the Plan Peru 2021 — Strategic Plan for National Development prepared by the National Centre for Strategic Planning (CEPLAN) of the Office of the President of the Council of Ministers, known as the Bicentenary Plan, sets a high level of development of science, technology and innovation activities geared towards improving business competitiveness and the population's quality of life, together with recognition of Peru as a society that generates new scientific-technological knowledge, as one of the national objectives for 2021.

40. The governing body, CONCYTEC, maintains and constantly reviews the National Plan for Science, Technology and Innovation for Competitiveness and Human Development 2006-2021, and aligns it with the national policies established by the Government.

41. The National Plan for Science, Technology and Innovation is the tool for putting forward and implementing national science, technology and innovation policy. It forms part of the State's policies and corresponds to a short-, medium- and long-term geostrategic vision. It is based on establishing strategic lines of action, setting priorities and planning the coordination and implementation of national and regional programmes, as well as special programmes proposed by the sectors and entities that form part of the National Science, Technology and Technological Innovation System (SINACYT).

42. The National Plan establishes directives and policies that are binding on the public sector and provide guidance for the private sector.

43. In 2006 the Peruvian State adopted the National Plan for Science, Technology and Innovation for Competitiveness and Human Development 2006-2021, by means of Supreme Decree No. 01-2006-ED. This management tool establishes a vision, objectives, goals, strategies, lines of action, national programmes and cross-cutting programmes in the area of science, technology and innovation. The Plan also requires regional governments to implement regional science, technology and innovation programmes.

44. The National Plan is based on the Political Constitution, the policies of the National Accord, applicable legislation and international regulations; it has served as the basis for drawing up the Bicentenary Plan with regard to science, technology and innovation. The National Plan for Science, Technology and Innovation for Competitiveness and Human Development is the Peruvian State's main public policy tool in this area.

III. Science, technology and innovation programmes and experiences

45. The National Plan for Science, Technology and Innovation provides for the implementation of a number of national science, technology and innovation programmes and a number of support programmes. The former are aimed at generating changes in the production of goods and services, as well as helping to resolve environmental and social problems. The special or support programmes contribute to the national programmes, generating the tools and means necessary for their implementation.

46. CONCYTEC is working to define the science, technology and innovation policy guidelines for the period 2013-2016, based on the National Plan for Science, Technology and Innovation to 2021 and taking into account the directives of the President of the Republic, Ollanta Humala, and the President of the Council of Ministers, the provisions of the Multiannual Macroeconomic Framework, the Competitiveness Agenda and the 2012-2016 Multiannual Strategic Programme of the Ministry of Production (PESEM), and the guidelines established in Supreme Decree No. 027-2007-PCM.

47. Each policy guideline allows the definition of a priority objective and an outcome for 2016. A number of national science, innovation and technology programmes have been established on this basis and specific lines of action are being defined for each programme.

Table 1

Guidelines for 2016	*Objectives for 2016*
Policy guideline 1	**Priority objective 1**
Science, technology and innovation for greater social inclusion and poverty reduction	Develop, transfer and disseminate technologies for social inclusion, environmental sustainability and poverty alleviation
Policy guideline 2	**Priority objective 2**
Sustainability of competitiveness, diversification and production complexity	Generate, transfer, adopt, use and exploit new knowledge and technologies to diversify the production model and increase productivity and competitiveness
Policy guideline 3	**Priority objective 3**
Human resources with the skills required to incorporate knowledge and innovations into the production structure	Increase human resources qualified in science, technology and innovation
Policy guideline 4	**Priority objective 4**
Social recognition of science, technology and innovation as a key factor for development	Improve use and ownership of scientific and technological knowledge in society
Policy guideline 5	**Priority objective 5**
Participative and results-based public management of science, technology and innovation	Modernize the public management of science, technology and innovation

48. National science, technology and innovation policy is implemented through science, technology and innovation programmes, by means of which public

management is focused on this area and guidance is provided for appropriate use of resources. The following programmes have been prioritized:

A. National programmes

49. Among the national programmes are:

(a) A programme for technology transfer and absorption for social inclusion (technologies for agrosylvopastoral and aquacultural activities, technologies for extractive activities and indigenous communities, and technologies for marginal urban areas);

(b) A biotechnology programme, targeting health, food security and nutrition, and the harnessing of biodiversity (promising agriculture and agro-industry, endemic diseases, bioprospecting, and fisheries and aquaculture);

(c) A materials science and technology programme, targeting the strengthening of industrial competitiveness (metallurgy, textiles, chemicals and petrochemicals, and nanomaterials);

(d) An ICT programme, to improve the competitiveness of Peruvian goods and services (industrial automation, computer services in the health, education and Government sectors, and the software industry);

(e) An environmental science and technology programme, targeting the strengthening of environmental sustainability and renewable energy (water, climate change, El Niño-Southern Oscillation and earthquakes, bioremediation and biomining, and renewable energy).

B. Support programmes

50. Among the support programmes are:

(a) A programme for human resources specialized in science, technology and innovation;

(b) A programme for the enhancement of innovation for competitiveness;

(c) A financial funds and instruments programme;

(d) A programme of international technical cooperation for ICT;

(e) A technology transfer and extension programme.

51. A set of public support schemes is currently in operation in Peru, aimed not only at providing support for activities and projects facilitating the development of science, technology and innovation, related to the modernization of companies' production, but also at promoting innovative business behaviours, practices and activities.

52. These programmes correspond to initiatives designed and put into operation at various points in time; various ministerial bodies are responsible for running them, including the Ministry of Production and the Office of the President of the Council of Ministers. The main programmes currently in operation are set out in table 2.

Table 2
Main public programmes in operation

Institution	*Programme*	*Main scope*
Ministry of Production	Mi Empresa (My Company)	Provision of information; management training; technical assistance and dissemination of good practices in the area of quality
	CITEs	Technical assistance, training and extension services in specific sectors and territorial areas
	Research and Development Fund for Competitiveness (FIDECOM)	Projects and initiatives for innovation in production and technological dissemination activities
Office of the President of the Council of Ministers	FINCyT	Projects and initiatives in support of technology absorption

53. The Mi Empresa (My Company) programme is a multipurpose promotion scheme, the main tasks of which comprise the provision of information for the training of managers of micro- and small enterprises; the formalization of traditional activities and the strengthening of business partnerships; and business training and the modernization of production and management. This last sphere includes the dissemination of good practices in manufacturing, the promotion of tools for continuous improvement (5S and kaizen) and quality systems. The main types of support offered under this programme and their scope are presented in table 3.

Table 3
Main areas of support offered under the Mi Empresa programme

Programme	*Areas of work*	*Scope*
Dissemination and training services	Information on business training and ITC; model business plans and assessments of business capacity; institutional portal	Documentation and publications; dissemination activities for business training
Training and technical assistance programmes	Training and activities in support of management and technical assistance for production; product quality and design; processes; working conditions and quality of work; human resource skills	Priority sectors (agro-industry, timber and carpentry, leather and footwear, textiles, handicrafts, metallurgy, tourism, hotels and gastronomy)
Technical assistance and quality programme	Certification in good manufacturing and management practices	Training, consultancy and certification with a view to improving business management and working conditions within micro- and small enterprises
	Quality management system; SEBRAE (Serviço Brasileiro de Apoio às Micro e Pequenas Empresas (Brazilian Support Service for Micro- and Small Enterprises)) model	Capacity-building for service providers

54. The technological innovation centres (CITEs) programme corresponds to an initiative implemented in 2000 to "promote innovation, quality and productivity and provide information for the competitive development of the various stages of national industrial production. The CITEs provide quality control and certification, consultancy and specialized assistance services, and develop technical training programmes." The programme was designed and implemented through the creation of centres specializing in the provision of technical assistance and technology extension services. Various centres have been accredited by the Ministry of Production; three of them are public centres within the Ministry's administrative structure that were attached to the Production Technology Institute in 2013. The private CITEs have been accredited by the Ministry and started their activities between 2002 and 2012. A list of the centres in 2012 is presented in table 4.

Table 4
Accredited technological innovation centres

Institution	*Location*	*Sector*	*Establishment and/or accreditation of CITE*
Public CITEs			
CITEccal	Lima	Leather, footwear and related industries	1998
CITEmadera	Lima	Timber and furniture	2000
CITEmadera (*)	Pucallpa	Forestry	
CITEvid	Ica	Grape cultivation, winemaking and agro-industry	2000
Private CITEs			Accreditation of CITE
CITEfrutas Tropicales y Plantas Medicinales	Loreto	Agro-industry	2002
CITEconfecciones El Taller	Arequipa	Textiles and clothing	2002
CITEagroindustrial CEPRORUI	Arequipa	Agro-industry	2003
CITEindustria Textil Camélidos del Perú	Arequipa	Textiles and clothing	2003
CITEagroindustrial	Tacna	Agro-industry	2003
CITEagroindustrial	Piura	Agro-industry	2004
CITE Logística	Lima	Multisectoral	2006
CITEsoftware	Lima	Software	2007
CITEagroalimentario de Majes y el Sur del Perú	Arequipa	Agro-industry	2008
CITEforestal	Loreto	Forestry	2009
CITEconfección y Diseño	Lima	Textiles	2009
CITEcacao	San Martín	Agro-industry	2011
CITEminería y Medio Ambiente	Cajamarca	Mining	2011

Production Technology Institute

55. The purpose of the reform driven by the Ministry of Production and approved in the 2013 Budget Act by the Congress of the Republic of Peru was "to expand the production base, achieve better quality and productivity, and generate greater value added and diversification in Peruvian production". The Act states that "the name of the Fisheries Technology Institute of Peru shall be changed to Production Technology Institute" in order to expand research, development, innovation, adaptation, transformation, technology transfer and extension services to the production sector in respect of hydrobiological resources, agro-industrial products and other industrial products within its sphere of competence, and to undertake their promotion. To that end, the public CITEs in the production sector were attached to the Production Technology Institute through Supreme Decree No. 003-2013-PRODUCE.

56. The Production Technology Institute is a specialized technical body established by law in May 1981, with legal personality in public law and with technical, economic and financial autonomy. Its competence is national in scope and it is attached to the Ministry of Production.

57. The UNCTAD, OECD and public research institute studies influenced the design of this reform, which brings together as a network the former Fisheries Technology Institute and the CITEs under the new name of the Production Technology Institute. It is a tool of industrial policy and will facilitate better linkages between business, academia and the State, with multisectoral institutions affording better coordination and greater effectiveness in terms of science, technology and innovation, which will contribute to the overcoming of technological heterogeneity, the inclusion of traditional knowledge, the valuation and conservation of biodiversity and the decentralization of productive capacity so that the production structure is transformed and yields differentiated products with greater value added, exports become more diverse, and the productivity of companies increases.

58. The aim of the new functional structure of the Production Technology Institute is to support the industry in certain sectors, identified at the outset, in which infrastructure comprising laboratories, pilot plants and specialized staff of the former Fisheries Technology Institute (fisheries and aquaculture) and the CITEs already exists. The reform process allows for the extension of comprehensive support to other sectors through joint management which shares actions within the framework of the new Peruvian Innovation System and the linkages between the State, academia and business and with local and regional governments and actors in order to respond to developments in local production which give value to the system's resources and contribute to economic, social and environmental sustainability.

59. The initial value proposition of the Production Technology Institute includes four specialized subsectoral divisions: fisheries and aquaculture; agro-industry; leather, footwear and related industries; and timber and furniture.

60. Each of these four divisions will implement three key processes: applied research, the development of products, processes and technology transfer, and provision of extension services which are permanent in nature, fostering a gradual process of innovation and quality management within companies and of support for

research management. The purpose of the reform is to strengthen the role of the Production Technology Institute in the national quality system and the promotion of standardization, in particular given the many free trade agreements signed by Peru which require compliance with standards, with the support of the committees on Peruvian technical standards in the four divisions' production chains and of those laboratories associated with the Institute which are accredited to conduct tests under the ISO/IEC 17025 standard.

61. Another fundamental aspect of the reform of the Production Technology Institute is the platform of shared services that will support the four subsectoral divisions, as well as companies and other agents in each value chain, and new enterprises.

Competitive funds

62. The Research and Development Fund for Competitiveness (FIDECOM) is a competitive fund the purpose of which is "to promote research into and the development of production innovation projects, with business participation, that are of practical use for increasing competitiveness". To finance the activities of FIDECOM, a total amount of 200 million nuevos soles was made available when it was brought into operation in 2009.

63. This financing scheme supports not only projects which incentivize innovative business practices and activities but also the development of activities which facilitate the modernization of companies' production, particularly at the micro-enterprise level. The operational objectives of FIDECOM are as follows:

(a) To promote research into and development of production innovation projects, with business participation, that are of practical use for increasing productivity and competitiveness, through non-reimbursable co-financing from the fund's resources. The projects may be focused on innovation in processes, products or services, technology transfer and dissemination, or other areas;

(b) To develop and strengthen the capacity to generate and apply technological knowledge for innovation in processes, products, services or other areas, technology transfer and dissemination among formal micro-enterprises, and the development of the production and business management capacities of such micro-enterprises' workers and managers through the non-reimbursable financing of projects, including training programmes.

64. The main results achieved by FIDECOM to date include the financing of 246 production innovation and knowledge transfer projects targeting micro-, small and medium-sized enterprises. The Fund has committed more than 64 million nuevos soles to these projects, while the beneficiary companies have contributed more than 34 million nuevos soles. In other words, in general terms, for every US$ 2 invested by the State, the private sector has invested US$ 1 in research and development for innovation in production. It should also be noted that 43 per cent of the projects approved were proposed by companies in the interior of the country, and 70 per cent were proposed and are being implemented by micro-enterprises.

65. FINCyT, lastly, is answerable to the Office of the President of the Council of Ministers. It is a programme which aims to promote the development of research, technological development and innovation activities, and the training of human resources in Peru. Its main purpose is to "contribute to an increase in the country's

competitiveness, strengthening the capacities for research and technological innovation and promoting linkages between business, universities and the State".

66. The resources under this programme came from two successive loan transactions with the Inter-American Development Bank (IDB) and the National Treasury. The operation of this programme corresponds to that of a fund operating, under competitive schemes, a number of types of support in each of its areas of activity.

67. FINCyT seeks to contribute to an improvement in the country's competitiveness through the following lines of action: generating scientific and technological knowledge; promoting innovation in companies and greater participation of the private sector; building technological research capacities; and strengthening the national innovation system.

68. The types of projects which it financed, in its first phase, are:

(a) technological innovation projects in companies;

(b) research and technological development projects in universities and research centres;

(c) capacity-building for science and technology, with grants and internships;

(d) projects to strengthen and improve coordination of the national innovation system.

69. The main results of FINCyT include the financing of 117 innovation projects in companies; 77 research projects in universities; 57 doctoral scholarships; 43 missions, consultancies and internships; and 20 equipment projects. These have produced 206 undergraduate theses, 55 postgraduate theses, 228 publications and 14 patent applications.

70. Finally, it should be mentioned that important legislative measures are already being taken in order to encourage research and development activities in companies, such as the enactment of Legislative Decree No. 1124, amending the Income Tax Act, as it refers, inter alia, to the deduction of tax for scientific research, technological development and technological innovation activities. This allows investment in research and development activities to be deducted from income tax, up to 1 million nuevos soles. Furthermore, it has been considered important to promote public-private associations to foster programmes and infrastructure for science and technology. To that end, Legislative Decree No. 29987 has been enacted, declaring the promotion of science, innovation and technology through public-private associations to be of national interest.

Public research institutes

71. The public research institutes have embarked on a strengthening process. For example, the National Institute for Agrarian Innovation (INIA), which is the agent in the agriculture sector responsible for developing a new focus on research, innovation, and technology extension and transfer, will be strengthened based on the outcome of the consultation being conducted by the World Bank and IDB. The Peruvian Maritime Research Institute (IMARPE), which is a specialized technical body in the fisheries subsector of the production sector, guides scientific research,

together with study and knowledge of the Peruvian sea and its resources. It has an organized research plan focused on the observation of fisheries resources, climatic variability in the ocean, the quality of the aquatic environment and the development of aquaculture, which consists of 45 research projects being developed along the whole of the Peruvian seaboard. The Peruvian Amazon Research Institute (IIAP) is a science and technology research institution for development, specialized in the sustainable use of biological diversity in the Amazon region, which is working intensively to achieve the Millennium Development Goals.

IV. The potential of culture for sustainable development

72. In political terms, Peru has highlighted the value of culture for the promotion of sustainable development and, in that connection, is taking various steps to enhance the potential of culture to achieve that aim.

73. In other words, for Peru the role of culture is crucial for achieving sustainable development, all the more so in societies such as its own, which has natural and cultural megadiversity, is one of the cradles of human civilization, and has great potential with regard to its identity and global competitiveness; this can be seen, for example, in the growth of ecotourism and gastronomy, as well as in research into Andean grains, especially quinoa and Amazonian products.

74. Similarly, the country understands that an intercultural reading of development will produce a State close to the people, in line with the policies of social inclusion promoted by the Peruvian Government, given that in any dialogue it is important to consider the role of culture and see it as a "pillar" of sustainable development, together with the economy, social life, the environment, politics and ethics, rather than simply focusing on the three traditional pillars of sustainable development.

75. National experience highlights various factors linked to the conceptualization of the process of change towards sustainable development, and also of the model of well-being to be achieved, i.e. a sustainable society; these include the epistemological and geopolitical meaning of natural and cultural megadiversity; and the circularity of time, given that sustainable development in the country involves looking not only forward to future generations but also back to previous ones, which bequeathed to us part of the environment and the resources we now enjoy.

V. Sustainable development and the achievement of the Millennium Development Goals

76. In Peru, science, technology and innovation aim to raise the productivity and competitiveness of firms, making the production model more sophisticated in terms of technology, adding value to natural resources, and diversifying the country's supply towards global markets, on the basis of clean eco-efficient products, processes and services, and with a view to the conservation of biodiversity.

77. With regard to ICT, Peru has 33,600 population centres with access to telecommunications, 34 million mobile lines and 514,000 mobile broadband connections. As for the figures that provide evidence of an increase of ICTs in education, 40 per cent of students and teachers have access to digital resources, the ratio of students per computer is 6.26 and the connectivity of public schools is

11 per cent, as a result of measures aimed at improving access to high-quality telecommunications services throughout Peru and services provided by the State to citizens and businesses.

78. The National Plan for Science, Technology and Innovation for Competitiveness and Human Development 2006-2021 includes the following priority line of action "Environment: Water, disaster prevention (landslides, droughts, flooding, earthquakes, El Niño), climate change, clean technologies, technologies to mitigate the environmental impacts of mining, oil-related, industrial and urban activities".

79. The most important issues are defined from two perspectives: the first groups together those issues that affect a greater number of people, especially those who are least protected owing to their precarious economic situation, for example access to good-quality water; and the second includes those issues that are conducive to building a more environmentally friendly and efficient production sector.

80. With regard to the second perspective, the lines of action being promoted by the State on various fronts relating to the enhancement of productivity, quality, innovation, science and technology in the business environment include measures concerning the efficient use of energy, renewable energy, use of eco-friendly materials and eco-efficient technologies, and treatment of waste and pollutants.

81. In addition, one line of action being emphasized in recent productive programmes relates to the concept of green innovation in businesses, for example, projects and programmes to tackle climate change, such as the use of climate-resistant seeds in the agricultural sector; or the use in industry of materials that are less polluting, biodegradable or do not entail environmental and biodiversity degradation.

82. In 2000, Peru made a commitment to meet the MDGs.

83. The Peruvian State is fully aware of the need to raise the standard of living of the poorest citizens in Peru and to overcome social inequalities.

84. As part of its commitment to the poorest people, the Peruvian State has promoted the national inclusive growth strategy "Crecer para Incluir", as well as the national programme of direct support to the poorest "Juntos", through which poor households receive economic assistance, provided they fulfil certain conditions, such as the requirement for school attendance or vaccination of their children. Other important social programmes include the "water for all" and "glass of milk" initiatives, *comedores populares* (community kitchens), Qaliwarma ("healthy children"), comprehensive health insurance, rural electrification, irrigation, and agro-rural programmes, *Construyendo Peru* (temporary employment), *Techo Propio* (housing loans), *Pension-65* (pension scheme for the rural poor), and *Beca 18* (scholarship programme).

85. Concerning the implementation of the MDGs, the National Institute of Statistics and Information Technology has prepared tables of statistical information on the progress made to date, which describe the situation as follows:

86. With regard to Goal 1 (eradicate extreme poverty and hunger):

(a) Peru has reduced the poverty rate by almost half, from 54.8 per cent of the population in 2001 to 27.8 per cent in 2011, and the target of 25 per cent for 2015 will be achieved three years earlier, based on figures for 2012;

(b) Extreme poverty was reduced from 24.4 per cent to 6.3 per cent between 2001 and 2011. The target of reducing extreme poverty rates by half was achieved in 2007, and further improvements have been made since then;

(c) Chronic child malnutrition decreased from 25.4 per cent in 2000 to 15.2 per cent in 2011. The MDG target of 18.3 per cent was achieved in 2009.

87. With regard to Goal 3 (promote gender equality and empower women), in 1991 there was gender disparity in primary education (gender parity index of 0.985). The goal of parity (1.000) was achieved in 2011.

88. With regard to Goal 4 (reduce by two thirds, between 1990 and 2015, the under-five mortality rate), the infant mortality rate (0-1 year) per 1,000 live births was reduced from 55 on the 1991/1992 baseline to 16 in 2011, thereby achieving the target.

89. With regard to Goal 7 (ensure environmental sustainability), which aims to integrate the principles of sustainable development into country policies and programmes, and reverse the loss of environmental resources, it should be pointed out that the Government of Peru has made substantive changes to its legislation, taking into account the process of global climate change, its biological diversity and its commitment to achieve the MDGs. To that end:

(a) the Ministry of the Environment has been established;

(b) the environmental vision of Peru has been changed to incorporate environmental concepts that correspond to a country characterized by a mountainous, Amazonian and coastal geography;

(c) Climate change adaptation projects are being implemented by productive bodies at the individual, local and regional levels, demonstrating the interest of economic agents in mitigating the effects of climate change and their greater participation in the globalized economy;

(d) In 2011, the natural areas protected by the State increased to a total of 19,560,000 hectares;

(e) With regard to the population with sustainable access to improved sources of water, in 2011 Peru was 4.5 percentage points away from achieving the MDG target set for 2015 of 81.3 per cent;

(f) Similarly, there has been a steady increase in the percentage of the population living in homes with adequate drainage.

90. With regard to Goal 8 (develop a global partnership for development):

(a) In relation to the target of giving the population access to new communication technologies, between 2001 and 2011 the percentage of the population with fixed telephone lines increased from 23.3 per cent to 30.7 per cent, while mobile telephones saw a noticeable increase, from 7.76 per cent to 79.3 per cent;

(b) Similarly, the percentage of the population with personal computers increased from 5.7 per cent in 2001 to 27.4 per cent in 2011, while the population in households with Internet access rose from barely 0.5 per cent in 2001 to 17.7 per cent in 2011.